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Daily Report

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Daily Report
Latin America

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Area Figures Criticize Ruling in Barry Case

PA1908001490 Madrid EFE in Spanish 2246 GMT 17 Aug 90

[Text] Bogota, 17 Aug (EFE)—Various Latin American personalities today supported Colombia in rejecting last week's acquittal of all but one of the charges leveled against Washington, D.C. Mayor Marion Barry and its decision to continue fighting drug trafficking.

Last week a jury declared Barry not guilty of all but one of the charges [as received] that mainly had to do with the consumption and possession of cocaine.

Former Venezuelan President Rafael Caldera maintained that decisions like this are disconcerting, because they create confusion on our continent.

Caldera added that the Venezuelan people support Colombia without reservation in its struggle against drug trafficking and are saddened to see that there is flexibility toward drug consumption in the United States.

Meanwhile, Guatemalan Foreign Minister Ariel Rivera also expressed his country's solidarity with Colombia.

He added that it is inconceivable that while a firm struggle is being waged against drug trafficking in Colombia, Washington's top authority, the mayor, who is charged with cocaine consumption, is calmly and freely moving about the streets and this is truly an insult to our people.

Former Colombian President Virgilio Barco said that the court ruling in favor of Barry has set a bad example.

These Latin American politicians are in Bogota to attend the first Meeting for Latin American Democracy and Integration organized by the Luis Carlos Galan Foundation on the first anniversary of Galan's death.

The statements by Caldera, Rivera, and Barco join those of others in Colombia who have protested against the verdict that favored Barry.

The Colombian Foreign Minister Luis Fernando Jaramillo and Justice Ministers Jaime Giraldo Angel had expressed their disagreement with the ruling on 16 August.

Mexican Official Addresses Area Meeting in Bogota

PA1708192090 Mexico City NOTIMEX in Spanish 0250 GMT 17 Aug 90

[Text] Bogota, 17 Aug (NOTIMEX)— Mexican Foreign Secretary Fernando Solana said today that his country is calling for clearer rules to sign a free trade agreement with the United States. The agreement must establish a definite and permanent demand for Mexican products.

"Mexico cannot be subject to the changes suffered by its leading commercial partner. That is the trade agreement's leading goal," Solana said in Bogota during a speech at the "Latin American Meeting for Democracy and Integration."

The Mexican foreign secretary pointed out that formal negotiations will be opened with the United States concerning a possible free trade agreement, although, he said, "it would be advantageous to establish various necessary points."

The agreement's implementation, Solana added, would complement efforts to increase the flow of foreign investments in Mexico. Mexico needs this because it is essential to generate jobs and because—to a greater or lesser degree—it will bring technology and markets."

"Although the United States has increased its production at rates lower than Japan's and Europe's, its economy is still the largest in the world," stressed Solana, who met today with Colombian President Cesar Gaviria Trujillo.

He explained that his country's basic goal is to recover its development which, he said, is essential to its economic growth because "Mexico cannot deny itself the possibility of obtaining those benefits."

Concerning Latin American integration, he pointed out that his country is trying to "promote it with deeds, precisely because we want to broaden our commercial openings to boost exchange among our countries."

Nevertheless, Solana said, "I will not stop to point out how far we still are from a union of customhouses like the one the Central American and Andean countries desire. A common market seems a distant plan, let alone an economic union."

Solana acknowledged that international reality "is demanding that Latin America make a brave and honest restatement of its goals on the subject. Within this context, I ask you to reflect on Latin American integration."

Solana thanked the Luis Carlos Galan Foundation for the invitation to the forum organized in commemoration of the senator who was slain one year ago.

He said that the Mexican Government "is determined to make strides in its economic and political modernization through broad programs for structrural change."

He denied that the concretion of a free trade agreement with the United States will block "increased rapprochement with Latin America."

"Economic rationality is only a part of the many ties that unite countries; this is particularly true in the case of Mexico and Latin America," he said.

Solana denied that a possible free trade agreement with the United States will distance Mexico from Latin America, which is an idea he said, "that results from ignorance."

"Over the past few months the idea that Mexico is 'joining' the United States and abandoning Latin America has silently progressed. Nevertheless, these rumors can be explained as the result of ignorance," the Mexican foreign secretary said.

Solana said that Mexico will implement its economic and political modernization program "at a steady pace," and will concurrently "continue seeking rapprochement with Latin America," because "to abandon Latin America would be equal to abandoning ourselves."

Argentina, Uruguay, Brazil Meeting Canceled

PY1908223090 Buenos Aires BUENOS AIRES HERALD in English 18 Aug 90 p 11

[Text] [NA]—The meeting between the presidents of Argentina, Brazil and Uruguay originally scheduled for next weekend has been canceled, Government House sources said yesterday. The meeting was canceled after [Brazilian President] Collor de Mello said "domestic problems" would prevent him from attending.

Cuba

Envoy to UN Criticizes U.S. 'Illegal Blockade'

PA2008014090 Havana International Service in Spanish 0000 GMT 20 Aug 90

[Text] At the United Nations, Cuba and Yemen have accused the United States of unilaterally imposing an arbitrary and illegal blockade to prevent by force the entry of food and medicine into Iraq and Kuwait.

Ricardo Alarcon, Cuban ambassador to the United Nations, said at the Security Council that this measure places millions of people, both nationals and foreign residents, in a precarious situation due to the shortages already existing in those two Arab nations. The United States, he said, is even imposing hunger on the Kuwaiti people, who have already been the victims of the Iraqi aggression.

[Name indistinct], representative of Yemen, stressed that his country is willing to help the Iraqi citizens condemned to hunger by the unilateral U.S. blockade.

Cuba and Yemen also criticized the big U.S. military escalation in the Persian Gulf and urged the UN Security Council to adopt urgent measures to prevent the conflict from spreading throughout the Middle East. The same concern was expressed by the Soviet Union and China, permanent members of the UN Security Council.

Castro, Kuwaiti Envoy Hold 'Conflictive Exchange'

PA1908145290 Havana International Service in Spanish 1400 GMT 19 Aug 90

[Text] Last night President Fidel Castro received Muhammad 'Abdallah 'Abbas Abu al-Hasan, permanent Kuwaiti representative to the United Nations and also ambassador to Cuba. The representative was carrying a message from His Highness Amir Jabir al-Ahmad al-Jabir al-Sabah. A conflictive exchange of opinions ensued during the meeting over the Persian Gulf conflict and the need to avoid a war. A war would have incalculable consequences and would affect not only area countries, but also many of the world's peoples.

Foreign Ministry Reports 2 Refugees Leave Embassy

PA2008020290 Havana International Service in Spanish 0000 GMT 20 Aug 90

[Text] A Cuban Foreign Ministry note has reported that two of the 18 Cubans who last month violently entered the Spanish Embassy, which illegally granted them refuge, have voluntarily left that diplomatic mission in Havana.

They are Felipe Nerey and Ricardo Figueroa. After leaving the embassy, the latter entered a Havana hospital due to a gastrointestinal infection. The report stated that Nerey returned without problem to his home and that Figueroa will be turned over to his relatives as soon as he is released from the hospital.

The Foreign Ministry note also stated that these two individuals, the same as the others who in recent weeks have illegally entered embassies in Havana, will not obtain any privileges in the enforcement of current Cuban immigration laws.

More on Refugees Leaving Embassy

PA1908134990 Madrid EFE in Spanish 1147 GMT 19 Aug 90

[Text] Havana, 19 Aug (EFE)—The Cuban Foreign Ministry reported today that two of the 18 Cubans at the Spanish Embassy in Havana voluntarily left the building yesterday evening. These two Cubans have been identified as Ricardo Figueroa Laredo, who has stomach problems and was immediately taken to a hospital; and Felipe Nerey Fonseca, according to the official communique.

According to the Cuban Government, the two Cubans, who entered the Spanish Embassy on 21 July, left the installation voluntarily and unconditionally. In Madrid, the Diplomatic Information Office has confirmed to EFE that the two Cubans left voluntarily and peacefully, adding that one left because he is ill and the other left to accompany him.

However, a spokesman for the Spanish Foreign Ministry has noted: We have no information about two refugees leaving the embassy and surrendering to Cuban authorities. This spokesman said that the situation at the embassy in Havana has not changed and is normal.

The Spanish Embassy in Havana is being protected by nine policemen from special GEOS [Group of Special Police Operations]. The Spanish Embassy is under the direction of Charge d'Affaires Ignacio Ruperez, despite the fact that on 10 August the Cuban Government gave its placet to the new Spanish ambassador, Gumersindo Rico Rodriguez-Villar.

Embassy Situation 'Cannot Continue Indefinitely'

PA1708163790 Havana International Service in Spanish 1400 GMT 17 Aug 90

[Text] High-level Cuban Foreign Ministry sources have confirmed that the Spanish Embassy in Havana was refused permission to take in mattresses and springs for the Cuban citizens who are staying illegally at the embassy, now turned into a hotel.

The sources said that the Spanish Foreign Ministry surprisingly calls these citizens refugees. It also uses the term humanitarian in a play on words to confuse the people and to cover up what amounts to a violation of the embassy's functions and prerogatives.

The sources said that the abnormal conditions created by the Spanish Embassy, which disrupt order in downtown Havana, cannot continue indefinitely.

Commentary Says U.S. Behind Embassy Incidents

PA1708223490 Havana International Service in Spanish 0100 GMT 17 Aug 90

[Commentary by Pedro Martinez Pires]

[Text] The illegal entry of nine Cubans into the Belgian Ambassador's residence in Havana, after several days of calm in the diplomatic missions, has once again raised the issue. The only difference is that the U.S. interest in creating problems between Cuba and European nations is now more evident.

The situation at the embassies in Havana, which is connected to the U.S. policy toward Cuban immigrants, became news on 9 July, when several persons illegally entered the Czechoslovakian Embassy. During the next few days, the controversial topic was highlighted by international news agencies. The Spanish, Swiss, and Italian Embassies and the residence of the Czechoslovakian charge d'affaires were also entered. Of the 44 persons who entered the diplomatic residences or embassies, 26 left after a few days and went home. None of them was being politically persecuted. Everyone realized that the Cuban Government will not accept any type of pressure or blackmail. Besides, there is no right to asylum in any European Embassy, because Cuba has this type of agreement only with Latin American countries. In Cuba, there is no climate of terror or persecution that would force members of the opposition to seek refuge at foreign embassies, as was the case before 1959.

Thanks to testimony given by persons who were at the Czechoslovakian Embassy for several days, it was learned that the plan for destabilization and propaganda around the embassies in Havana was abetted by the U.S. Interests Section in the Cuban capital.

Washington's conduct was revealed when it was confirmed that its officials in Havana, obeying orders, were refusing visas to people in Cuba and encouraging them to carry out actions against state security. Only by carrying out those actions would they merit the right to obtain a U.S. visa. The United States had simultaneously been carrying out diplomatic activity to strengthen the blockade against Cuba. It tried to involve Europe in its plans against President Fidel Castro's government. It tried to do so at the recent NATO meeting, at the summit meeting of the seven industrialized capitalist countries, and also through direct pressure on the USSR, conditioning U.S. economic aid to the USSR on Moscow's changing its position toward Cuba.

It was therefore logical for the U.S. Interests Section in Havana to pressure the Cuban Government through these actions at the European embassies. In this way, it could create an unfavorable image of the Cuban Revolution abroad, and seek to create bilateral conflicts between Cuba and the European countries, particularly Spain.

That is why we grant so much importance to the meeting between Cuban political leader Carlos Aldana and the representatives of Western European countries and the accusation of the irresponsible campaign incited by the United States. It can clearly be seen that the representatives of the European Economic Community are not promoting the present situation. They, like Cuba, are in a way victims of the U.S. maneuvers intended to abet the illegal entry of people into the diplomatic missions.

Until now, the Cuban Government has acted very calmly to avoid provocation. An action that in any other country would have resulted in someone being killed has not produced even one wounded person despite the presence of police at the diplomatic missions.

Events have confirmed (?Cuba's) respect for international law, and its desire to seek solutions to the problems created at the European embassies. The governments of the Old World, who are now highly concerned about Washington's conduct in the Persian Gulf, understand the role that the United States wants them to play in Cuba.

Spanish Guests Return Home to Madrid

PA2008030090 Havana International Service in Spanish 0000 GMT 20 Aug 90

[Text] The 24 Spaniards from the Madrid neighborhood of Cerro Belmonte who visited Cuba for 10 days at the invitation of the Cuban Government described their meeting in Havana with President Fidel Castro as extraordinary and affectionate. Esther Castallenos, lawyer of the 125 families against whom the Madrid city government began legal proceedings to expropriate their houses, said on arriving in Madrid: The Cuban president treated us in a cordial and marvelous manner.

Amparo de la Fuente, an unemployed biology teacher, said Fidel Castro offered her a scholarship for as long as she would like. She said this was a very generous gesture by the Cuban president.

Bank President on Trade With Latin America

FL1808014090 Havana Television Service in Spanish 0000 GMT 18 Aug 90

[Text] After visiting Venezuela and Uruguay, Hector Rodriguez Llompart, minister president of the National Bank of Cuba, made today in Montevideo a positive assessment of our county's trade relations with the rest of Latin America. Llompart told PRENSA LATINA in the Uruguayan capital that the Cuban trade policy is basically focused on Latin American countries. He stressed that Cuba is not isolated and noted that Havana makes real and concrete contributions to integration as seen in a substantial increase of trade with the region.

On the alleged isolation of Cuba after the changes which have taken place in East Europe, Llomart said that, on the contrary, Cuba has notably increased its ties with Latin American countries such as Uruguay and Venezuela. Far from the East European situation becoming a factor of isolation, those changes should increase ties among our countries, noted the high-level Cuban official.

Llompart stressed that our natural market for imports as well as for exports is in Latin America and this has been the case since before the situation changed in East Europe.

Regarding the possibility of Cuba rejoining the OAS as expressed in Montevideo by OAS Secretary General Joao Baena Soares, the Cuban minister reasserted that our country is willing to rejoin that continental organization when its members call Cuba back. Cuba was unjustly excluded from the OAS but not from Latin America and will return to the regional organization when its members agree that Cuba return to this group of nations with its full rights, added Rodriguez Llomapart during his remarks to PRENSA LATINA in Montevideo.

Raul Castro Greets Nuclear Power Plant Workers

FL1708123190 Havana Tele Rebelde Network in Spanish 1100 GMT 17 Aug 90

[Text] Army General Raul Castro, second secretary of the Central Committee of the Communist Party of Cuba [PCC], has sent a message to workers of the Juragua Nuclear Power Plant in Cienfuegos.

The message congratulating the group was read during the ceremony to grant nuclear worker medals to 1,179 workers of the El Ciglo facility. The medals were granted by the National Trade Union of Construction Workers.

The ceremony took place in an area near the reactor. Workers are closing the reactor's dome at this time. Pedro Ross, secretary general of the Cuban Workers Federation [CTC] and first secretary of the PCC provincial committee, and Humberto Miguel Fernandez presided over the ceremony.

Inter-Caribbean

Caricom Trade May Suffer From Trinidad's Coup

FL1708134890 Bridgetown CANA in English 1252 GMT 17 Aug 90

[Text] Castries, St. Lucia, Aug 16, CANA—Trade within the Caribbean Community (Caricom) is expected to suffer as a result of the recent hostage crisis in Trinidad and Tobago, St. Lucia's Prime Minister John Compton is predicting. He said that in view of this, member countries of the Organisation of Eastern Caribbean States (OECS) sub-group which export a sizable amount of their manfactured goods to the twin island state, will now have to go in search of new markets for their exports.

Compton thinks that Trinidad and Tobago will for some time be involved with its own reconstruction efforts which is estimated to cost one billion dollars. Several businesses were looted and burnt down during the six day crisis which started July 27. The prime minister told CANA [CARIBBEAN NEWS AGENCY] that even with her difficulties, Trinidad and Tobago had remained the sheet anchor of Caricom trade, accounting for a substantial percentage of manufactured goods from the Caricom region.

"With its economic difficulties, going to the IMF, Trinidad had been slowed down, but in recent times we saw signs of things evening out, and the country was begining to move up," he said.

Compton said indications were that within one or two years Trinidad would have been out of her difficulties.

"But now this crisis has pushed the country back substantially and trade with Caricom will be adversely affected," Compton said.

"We will now have to seek new markets because Trinidad and Tobago will be involved with its own reconstruction and may not be as favourable a market for Caricom goods as it was in the past," he said.

Antigua and Barbuda

Diplomatic Relations Established With Chile

FL1708133390 Bridgetown CANA in English 1255 GMT 17 Aug 90

[Text] Washington, Aug 16, CANA—Antigua and Barbuda and Chile on Thursday established diplomatic relations, with the signing of a communique at the headquarters of Organisation of American States (OAS) here. Signing the document were Antiguan Ambassador Edmund Hawkins Lake and Chilean Ambassador Heraldo Munoz. The brief ceremony was witnessed by OAS assistant secretary general, Christopher Thomas.

The communique read: "The governments of Antigua and Barbuda and the Republic of Chile, in the spirit of cooperation and with the desire to develop closer ties of friendship between their peoples, have decided to establish formal diplomatic relations at the level of nonresident ambassadors, effective August 16, 1990.

"Both governments express their confidence that this agreement will contribute to the strengthening of mutual cooperation in the economic, commercial, and cultural areas between the two countries which share the same objectives and goals of promoting peace, democracy, justice, and solidarity in their relations, in accordance with the principles of international law."

Cayman Islands

Record 900 Kg Cocaine Seized, Three Charged

FL1708172990 Bridgetown CANA in English 1624 GMT 17 Aug 90

[Text] George Town, Grand Cayman, 17 Aug, CANA—[Words indistinct] three U.S. citizens from Florida have been formally charged by the Cayman Islands police with possession of cocaine and intent to supply after a drug squad operation that seized more than 900 kilograms of cocaine. The two men and one woman, who have been held without bail since first arrested on suspicion of possession charges in June, were identified as Shawn Menulty, Alfredo Carmorna, and Frances Marie Fox. All are believed to be from the Miami/Key West area. The cocaine had an estimated street value of U.S. 185 million dollars according to Inspector Peter Burgess, head of the drugs squad.

The three were originally detained and their yacht impounded on June 18 when local drugs squad officers, acting on a tip, searched their vessel and discovered the substance suspected to be cocaine. The vessel had docked in George Town to take on fuel and supplies as it prepared to return to the U.S. following a voyage to several Central and South American ports in the Caribbean. Following confirmation of the substance as cocaine by laboratory analysis, the three were formally charged.

The cocaine seizure was a record for the Cayman Islands, surpassing the 620 kilograms recovered in May from a twin-engine private aircraft that landed on Grand Cayman while in transit to the U.S. That operation was a joint U.S. Drug Enforcement Agency and Cayman Islands Drug Squad effort.

Jamaica

Seaga Warns Against 'Profiteering' From Crisis

FL1708160390 Bridgetown CANA in English 1509 GMT 17 Aug 90

[Text] Kingston, Jamaica, 17 Aug, CANA—Leader of the Jamaica Labour Party, Edward Seaga, has warned the government not to use the Gulf crisis as an opportunity for "profiteering" saying that increased gas prices at this time are "unwarranted." Seaga said in a statement Thursday that oil supplies for Jamaica came from Venezuela and Mexico and "frightening" quotations about world oil prices were deceptive. The opposition leader's comments came against the backgroud of government statements that the Gulf crisis could impact negatively on the already faltering local economy. Referring to government statements that the economy was in problems because of the crisis in the Middle East, Seaga said this was not true.

"Prices do not have to be increased at this stage," he maintained and cited two reasons for this.

Seaga noted that substantial savings had been made by the government as a result of purchases of oil at an average of U.S. 18 dollars a barrel over the past few months as compared to the budgeted price of 20 dollars a barrel in an agreement with the International Monetary Fund. These savings, he said, should be applied against the new cost prices before passing on any increases to the consumer. Secondly, he argued, the Middle East problem may be short term as the present stand-off could end, as a result of the naval blockade, or other producers might increase production to replace the fall out of Iraq and Kuwait oil. The govnerment, Seaga said, must avoid the temptation to enrich its treasury by unwarranted price increases.

"There will be time enough to take the necessary steps to adjust prices in the future when it is determined whether the crisis in the Middle East genuinely warrants this position," Seaga said.

St. Lucia

Opposition Leader Outlines Development Plan

FL1708214590 Bridgetown CANA in English 2104 GMT 17 Aug 90

[Text] Castries, St. Lucia, Aug 17, CANA—St. Lucia's opposition leader Julian Hunte has outlined a national development plan with emphasis on job creation and a promise of free education should his Labour Party (SLP) form the next government. Hunte, in an address to the St. Lucia Chamber of Commerce, Industry and Agriculture, said that the SLP alternative to the current government's programmes would reflect a broad consensus of the leadership of the country "through its many varied spheres."

In outlining his proposals, Hunte said that the tourism industry could not continue to operate as an enclave industry, where the major share of the tourist dollar is re-exported. "We must work out a development programme not only to expand the sector but also to deepen the linkages to include more St. Lucians," he said. Hunte was critical of the island's finacial service sector, which he said was "poorly developed".

"There are too few creative financial instruments and capital tools which enable businessmen to be more versatile in starting and expanding their business," he argued. "Capital formation is key to this whole process, interest rates, development bond financing, trading in treasury bills, trade insurances, venture capital are all areas which will be looked at to motivate investment in capital," Hunte said.

On the question of an integrated fiscal policy, Hunte said that the private sector could expect a better coordination between the management of fiscal matters and enterprise. Hunte said that an SLP government would provide free secondary education to St. Lucians. He said that the private sector would be asked to play a role in the free education of St. Lucians. "With over 70 per cent of school leavers coming from primary school, we intend to orient all education from primary level and up towards prepardness for the world of work," he said.

"We will not shirk the responsibility of taking the lead where it is expected to be taken, and similarly we must allow others to share in the democratic processes of nation-building," Hunte told the private sector officials.

He said that the strategies proposed were geared to three planks of reform—the creation of economic self respect, the establishment of integrated fiscal management and the provision of basic human needs.

"The strategies we propose are fundamentally different in source, origin and motivation from what are in place now. But always remember they must serve a pragmatic real series of social and economic demands made by St. Lucians."

Hunte said that the SLP was researching a wide range of job creation schemes, particularly for young people. "We cannot afford any welfare state hand-outs of food stamps. We must simply work our way out of this dilemma-chronic unemployment," he added.

Hunte said it was important that the SLP developed a new work ethic "which would take our young men off the streets and our young girls off their backs". Hunte said that there "was nothing intrinsically wrong with our people that they cannot be trained to the highest levels of industrial demands." He said that dedicating resources towards this problem was as important as offering fiscal incentives.

Trinidad and Tobago

Charges Against Bakr, Seven Others Outlined

FL1708150690 Bridgetown CANA in English 1331 GMT 17 Aug 90

[Text] Port of Spain, Trinidad, Aug 16, CANA—The leader of the Jamaat-al-Muslimeen, Imam Yasin Abu Bakr, and seven other accomplices in the recent failed coup attempt, were taken to state prison on Wednesday evening after criminal charges were laid against them over the two previous days.

Prison sources told CANA [CARIBBEAN NEWS AGENCY] Bakr and three members were imprisoned at the Royal Jail in Port of Spain, while another four were taken to the Golden Grove Prison in Arouca, northern Trinidad. The eight men were charged with treason, murder, kidnapping, arson, and being in possession of guns and ammunition in the wake of the July 27 coup attempt on the government. Armed police have cordoned off the area around the Royal Jail, allowing access only to pedestrians and special traffic.

Legal sources said by the end the week, the 106 remaining Muslimeen rebels would be charged and remanded to prison. The rebels have been held at an abandoned fisheries warehouse near Army headquarters since their surrender on August 1. Legal sources, noting that Trinidad and Tobago law requires an accused person to appear before a magistrate 10 days after being charged, said Bakr and the other defendants should appear in court by next Thursday at the latest.

Legal sources said authorities were still debating the venue for the initial court appearance. One suggestion has been the Government Convention Centre at Chaguaramas which would have to be declared a special court. The sources said they expected the series of preliminary enquiries to be lenthy and predicted the cases were unlikely to reach the high court before 1992.

Caricom Troops Return Home, Replacements Sent

FL1708233090 Bridgetown CANA in English 2227 GMT 17 Aug 90

[Text] Port of Spain, Trinidad, Aug 17, CANA—Caribbean Community troops from Jamaica, Barbados and Antigua and Barbuda sent here to assist the Trinidad Defence Force with law and order after the abortive Jamaat-al-Muslimeeen coup are being rotated this weekend.

The Caricom troops, who have been here for the past two weeks, will be returning home Saturday but Jamaica and Barbados are to each send forty replacements to Trinidad. Guyana's 40 soldiers will remain unchanged. A total of 150 Caricom troops have been assisting local security forces in post coup operations.

Major Dave Williams of the Trinidad and Tobago Defence Force told CANA, "The Caricom contingent was exceptional in conduct and attitude and we are very grateful for their assistance and appreciate it."

Government To Review World Bank, IMF Agreement

FL1708180990 Bridgetown CANA in English 1745 GMT 17 Aug 90

[Text] Port of Spain, Trinidad, Aug 17, CANA—In an apparent response to an attempted coup by a fringe Muslim group three weeks ago, Trinidad and Tobago is re-considering its austere arrangements with the World Bank and International Monetary Fund (IMF), Acting Prime Minister Winston Dookeran has said. He has also announced a new programme giving 15 to 30 year-olds access to funds to set up businesses.

"Clearly there would be the need to re-examine the relationship with the IMF and the World Bank in the context of the arrangement we had worked out before," he told reporters at a press conference late Thursday.

The IMF agreement sets exacting limits on government spending. The measures to attain the targets included salary cuts for public employees and the sale of government enterprises.

"During the course of the week, I met with the governor of the Central Bank (William Demas) who had indeed met with a number of public officials on this matter and was appraised on the prospects of re-examining some aspects of that programme," Dookeran said, promising to give details of the proposals next week.

Trinidad and Tobago in April entered into a second IMF Stand by Agreement and recently signed a Stand by Agreement Loan (SAL) with the World Bank as part of its economic adjustments plans.

Dookeran announced a new facility in the small business development company, called the Youth Enterprise Support System (YESS), which will offer a range of business development services to young entrepreneurs.

"Its a new window," Dookeran explained, "and in that window we have resource funding from Non Government Organisations (NGO).... and other groups mobilised."

The support system designed for persons between the ages of 15-30, will be launched on October 1.

Solana Rejects Military Solution to Oil Crisis

PA1708202990 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Aug 90

[Text] Mexican Foreign Secretary Fernando Solana rejected a military solution to the Persian Gulf situation when he was in Bogota. Solana, who returned to Mexico today, spoke to this television station after his meeting with Colombian President Gaviria and said: Neither the Persian Gulf war nor oil price hikes throughout the world benefit the oil producing countries of the Western World.

[Begin Solana recording] The truth is that this could produce a short-term price hike, but countries like ours, which export other products and are very interested in tourism and in stable, not sporadic, economic growth, believe that what is happening is unfavorable, economically speaking. [end recording]

Solana reiterated his hope and that of the government of Mexican President Salinas de Gortari for a peaceful solution in the Persian Gulf.

Six Killed in Clash Between PRI, PRT Members

PA1708180690 Madrid EFE in Spanish 1641 GMT 17 Aug 90

[Text] Mexico City, 17 Aug (EFE)—It has been reported here today that at least six people were killed on the afternoon of 16 August in a clash between members of the Institutional Revolutionary Party (PRI) and the Revolutionary Workers Party (PRT) in Jolalpan, 200 kilometers south of Mexico City.

According to the initial reports, two of the dead were PRT members and the other four belonged to the PRI. In addition, two other PRI members were seriously wounded. Other unconfirmed reports indicated that more than 10 people were killed in the clash.

The incident began when members of the PRT, which according to the state electoral commission won the last local elections, tried to recover the municipal building that had been occupied by PRI members since February.

A contingent of approximately 200 policemen is traveling to Jolalpan to control the political violence in the area.

Costa Rica

Vargas Rejects U.S. Congressman's Remarks

PA1708133190 Panama City ACAN in Spanish 0456 GMT 17 Aug 90

[Text] San Jose, 17 Aug (ACAN-EFE)—Salvadoran Colonel Mauricio Vargas today described a report by U.S. Congressman Joseph Moakley, which states that the Salvadoran military has blocked the solution of the murder of six Jesuits, as "rude meddling" in El Salvador's affairs.

"I totally reject it (Moakley's report) because it constitutes rude meddling in my country's internal affairs. We are U.S. allies, but this does not involve our national interests, which are not open to anyone," Vargas stressed.

The Jesuits were murdered in November, allegedly by Salvadoran Armed Forces members.

Vargas said that these "new theories" have emerged shortly before the beginning of a new round of negotiations with the Salvadoran guerrillas in Costa Rica, and he described them as "perverse."

Mauricio Vargas is chief of the Salvadoran Army's 111th Infantry Brigade based in San Miguel Department, where there is a great deal of insurgent activity.

Moakley pointed out in his report that the Salvadoran Army has carried out "a conspiracy of silence and lies" to obstruct the investigation of the murders.

"First they said that the murders had been ordered, later there was a cover up, and today they are talking about an obstruction. Let us see what they will come up with at the next round," the military chief underscored.

Vargas, a member of the government delegation that tomorrow begins a new round of negotiations in San Jose with the Salvadoran guerrillas said that the Salvadoran Government is willing to solve the Jesuits' murder case.

He denied that the U.S. Government or Senate agrees with the report issued by Moakley, a Democrat, but acknowledged that the report "generates misinformation and confusion."

Calderon Addresses Nation, Marks 100 Days

PA1908021890 San Jose Radio Reloj in Spanish 0100 GMT 17 Aug 90

[Address to the nation by President Rafael Angel Calderon Fournier to mark his first 100 days in office; on 16 August; place not given—live or recorded; broadcast in progress]

[Text] ...the adjustments we have been forced to make to halt the country's deterioration have been drastic and in many cases painful. Just as everyone else, I felt annoyed and worried upon learning the true state of the country and have no hesitation in thinking that over several years Costa Rican good faith and credibility has been fooled with.

If I were to compare our country to a house, I would say that on 9 May we received a house with a well-painted facade, but its problems were well hidden. We all know that if we do not take care of our houses and constantly ensure that they are maintained, the weather and humidity will eventually destroy them. The same goes for our fatherland. If we do not take adequate care of it and make opportune decisions to repair the damage, it could eventually be destroyed. In our home, Costa Rica, these problems were masked very well, but this did not make them any less serious. Together with my government team, my full attention during all this time has been taken up, clearly establishing the problems and facing them decisively.

With deep satisfaction I can tell you today that our government and all of Costa Rica has completed 100 days of work for a better future. My first request of all my fellow government workers was to put in order the house that I received in deplorable condition. I told Costa Ricans the first day in office about the true situation of the public treasury. Today there is no room for discussion of our findings. The truth has been clearly established. We face the biggest fiscal deficit in many years. They [the previous administration] did not even leave us the most essential funds to face payment obligations to government workers for the rest of the year. We did not have the necessary funds to repair secondary roads, to build the classrooms needed so that hundreds and thousands of students could study, or to properly finance school meal programs. The education sector is the best example of this serious situation, where 80 percent of the classroom requests have not been fulfilled and where there are no funds to build them in the near future.

To give you more insight, I would like to explain to you the situation with the Rural Police. The duty of the Rural Police is to serve [words indistinct] they lack resources. This problem is so serious that many rural guards have to wear tennis shoes while on duty because there is no money to get them boots. In rural areas, government mail is distributed on foot, because there is no money to buy bycicles.

Meanwhile, the agreement with international financial organizations to purchase our foreign debt showed a deficit. During the first two weeks of my administration, we had to get the necessary resources, over $250 million, to honor the obligations of Costa Rica. Today, thanks to our sacrifices, Costa Rica is a respectable member in the international financial community.

However, we found not only fiscal problems, but also problems in the Mice [Foreign Trade Ministry], Recope [Costa Rican Oil Refinery], Water Works, Central Bank, and the National Council for Production, among other public institutions, which were losing millions of colons. In addition, the previous administration refused to adjust the prices of agricultural products with regard to their production cost. We found an absolute lack of incentives for Costa Rican farmers, which combined with other factors, forced farmers to suspend their productive activities, sell their land for little money, and emigrate to the capital to find a better future for their families.

The deterioration of social programs, the lack of incentives for productive sectors, particularly the agricultural sector, and the lack of a policy of prices and salaries led to the discovery that, when I took over the government, approximately 25 percent of Costa Rican families lived under conditions of extreme poverty.

I want to stress that, over the past few years, the dangerous widening of the social gap in Costa Rica has seriously worsened. Thousands of Costa Ricans families can vouch for this, especially middle-class families.

I found the country in this poor condition on 9 May. Given this situation that I am today explaining to you, but of which many of you were already aware, the government realized that we either took steps to immediately correct the negative trends of the aforementioned picture, or we faced a situation of general instability. The government did not remain inactive. The first government measure was to reduce public spending and enforce austerity. As a result of the measures adopted by the presidency, this year we will reduce government spending by approximately 7 billion colones.

However, we inherited such a large problem that these cuts are not going to be enough to balance the national budget. The government has presented a tax reform project to obtain resources to finance the normal functioning of the state. By doing this, the government will insure payment of salaries to its workers and will pay essential obligations to keep health, education, nutrition, and other basic services going. In addition, this will enable the government to correct the industry and prevent tax evasion and fiscal fraud and improve tax collection.

We are trying to reduce an exaggerated increase in the cost of living and create, over the short term, conditions of stability for production and worker salaries. Regarding fiscal issues, these are some of the first measures to put the house in order.

Since economic stability, developing the productive sectors, and improving the real value of salaries cannot be achieved overnight, together with the measures I adopted to fulfill the aforementioned goals, I have ordered the implementation of social and compensation programs destined to, with great solidarity, help pay for the basic needs of the most impoverished families of the country. The food bonus program begins in the last 15 days of August. I hope this program reaches those families that live in impoverished regions of Costa Rica.

In addition, a few weeks ago I sent to the Legislative Assembly the bill on the free housing bonus. The purpose of this bill is to release the lower income families that have received one from paying that debt and helping families that receive one in the future pay part of the cost of their homes with them.

Along this line of immediate social action, I have asked the health authorities to bolster the system of primary care for sickness prevention and the program of nutrition centers and school dining halls, which is fundamentally aimed at protecting and promoting the health of children and (?adults) in our country.

As I had promised, we are improving and continuing the housing program. We have established the obligation to earmark several housing units in every housing project of social interest to elderly people who live alone or to single mothers who live alone or with children, particularly if they are in some way handicapped. The time had come for someone to do something for the elderly and the handicapped in this country.

This new social sensitivity is a practical expression of what we hope will soon become reality, such as the Institute for the Family [Instituto para la Familia]. The philosophy in this consists of centering the efforts of public entities on protecting family unity and gradually promoting it to attain higher standards of living. In our efforts with international organizations we have obtained financial resources for developmenting projects of small enterprises that have already begun operating and temporary employment programs through which the government will grant assistance—subject to socioeconomic studies—to heads of households who are temporarily unemployed, in exchange for work on projects of community benefit.

We believe that the most urgent action required to secure a minimum standard of living for Costa Rican families, (?a decent standard), are already in motion. However, our government's goals are not limited to simply securing the survival of Costa Ricans. We want not only to set our house in order, but to strengthen its foundations to guarantee its existence. We hope to end the poverty of those who live in it and systematically to increase the standard of living for all families, particularly those in the lower-income and middle-income groups.

We have already identified priority tasks to make this possible. The measures to streamline public spending and to keep it from exerting pressure on productive activities comprise one of those tasks that have been identified. Many of them are well advanced because we are going to submit to the Legislative Assembly the bills necessary to correct the current situations with regard to [words indistinct] and tax payment certificates. In addition, we are going to make the drafting of government budgets subject to drastic austerity and efficiency measures. We will not allow squandering or mismanagement of public funds. In addition to my determination on this, we will submit to the Legislative Assembly within the next few weeks a bill to regulate the overall drafting of public budgets. You have my full guarantee that during my administration, the taxes you pay will be properly used and that anyone who strays from this rule will be penalized and immediately separated from my team of aides.

We plan to reform the Costa Rican state. We are going to transfer enterprises from [word indistinct] to the private sector and to cooperatives. We are going to stop the expansion of the public sector. We are trying to secure financial support to begin transferring public employees to the private sector.

I want to firmly reiterate that I want to create the necessary conditions so that an increasingly larger number of workers own the enterprises. Productive sectors support our commitment to work with the employees to encourage their growth because more production, more employment, and better salaries depend on this to a large extent.

We have waged an unprecedented struggle to pull the agricultural and livestock sector out of its depression. This includes coffee and basic grain producers. We have proposed providing coffee producers with resources under favorable terms so that they can keep their coffee plantations and uphold the quality of their products to successfully compete in the international market.

To basic grain producers we have guaranteed fair prices for their products so that they can live honorably off their work and guarantee that there will be no shortage of staples in our country.

The government deficit we inherited forces us to be very careful in planning the public works that we intend to initiate with the assistance of the Public Works and Transport sector authorities. We, along with these authorities and foreign trade officials, are assigning priority importance to works that involve improving sea ports and airports through which our exports are dispatched.

We have been able to reach important agreements with many tourist agencies abroad so that they will come to our country to develop projects that would bring many benefits for Costa Ricans. We also have the commitment of assigning priority attention to the country's poorest areas, especially Alajuela, Guanacaste, and Puntarenas. It has been decided to promote these areas. It has also been decided to encourage establishing fisheries and to promote foreign investment in free zones away from the central region.

We are working so that enterprises using a significant local labor force in the aforementioned regions receive more incentives from the government.

It is encouraging to report that the [word indistinct] program allows us to foresee the creation of 17,000 new jobs and the generation of more than $400 million in exports. We want to strengthen the foundation of the fatherland and to complement this with honorable lives for all who live here.

As I have said before, we hope that in a matter of 18 months, the measures that have been adopted will have encouraged productive sectors and served to rationalize public expenditures, to expand bank credit funding, and to reduce interest rates, to then have a significant improvement in real salaries.

We also expect that the labor market will be expanded and that our exports will be increased within that period. To fulfill the goal for the next 18 months, the government must fulfill all the measures agreed to so far so that there may exist the necessary conditions to strengthen programs intended to encourage social improvements.

Many of the activities we will have to carry out soon depend on Legislative Assembly decisions. I would like to report on the constructive and productive atmosphere that has prevailed in the Legislative Assembly over the past 100 days.

The talks we have held with the various political, business, and labor sectors should lead to agreements that are important for the country's future. What we have reported does not include, of course, all the work carried out by the government over the past 100 days.

My intention is to inform you about the salient aspects of my administration, and to reiterate to you my commitments with economic development, social justice, and honesty. I have governed speaking the truth. I propose to do the same throughout my administration. At no time do I want to make you believe everything has been solved or that the short-term journey will be easy. Quite the contrary, we are experiencing a particularly difficult period, and we need a great deal of courage and determination to successfully meet the challenges ahead of us.

I most respectfully ask every citizen for cooperation, enthusiasm, and work, so that together we can reinforce our foundations and keep the house free of danger. That way, we will be able to overcome the obstacles that are temporarily separating us from development and prosperity. The overall assessment of these 100 days of work tells us we are moving ahead. We are coping with the most pressing problems—the ones that pose the greatest difficulties. Within our human and financial limitations, we have moved forward. The peace, liberty, and democracy we have built is the work of everyone. Prosperity, justice, and happiness will also be the fruit of the work of all of Costa Rica. Thank you.

Legislative Assembly Approves GATT Incorporation

PA1908033690 San Jose LA NACION in Spanish 10 Aug 90 p 6A

[Report by Armando Mayorga]

[Text] In its first debate the Legislative Assembly yesterday approved Costa Rica's incorporation into the GATT, which consists of 90 countries.

In becoming a member of this organization, which regulates international trade, our nation would commit itself to eliminating import licenses for agricultural products within an extendable four-year deadline.

In return, Costa Rica will enjoy the right to the so-called "proof of damage" under which any state claiming that our exports are harming its producers must convincingly demonstrate that this is true before establishing import restrictions.

During the vote, of the 41 deputies in attendance, only Social Christian Jorge Eduardo Sanchez Sibaja voted against. He believes that the liberalization of the economy called for by this agreement is moving swiftly while the inflow of financing for productive sectors "is too slow."

Also early during the session, the deputies in a second debate discussed an agreement with the United States known as PL-480 by which the country guaranteed $15 million in wheat imports and the allotment of an equal amount, in the form of a loan, for development programs.

During the second half of the session, the Legislative Assembly unanimously condemned the Iraqi regime of Saddam Husayn for invading Kuwait and called for its withdrawal from that territory.

The GATT, which is headquartered in Geneva, Switzerland, is a forum in which the "rules" of world trade are negotiated and Costa Rica, as a country moving toward accepting that modality, "cannot be left out," said National Liberation Party [PLN] Legislator Federico Vargas Peralta.

He added that "this will allow us to discuss issues on an equal basis with international powers" besides giving us the advantage of "proof of damage."

However, he warned that if our country "does not shape up" by reviving the productive sector, "it could suffer much." For example, he added, the elimination of import licenses for agricultural products will place our farmers against very strong international competition.

Danilo Chaverri Soto, deputy and secretary general of the Social Christian Unity Party (PUSC), voted in favor, but expressed "many reservations about our economy's ability to face the consequences of our incorporation into the GATT."

Nevertheless, he added that "the evolution of the world economy makes this incorporation inevitable." Rolando Lacle Castro, chief of the official bloc, said that Costa Rica has committed itself to joining the GATT as a requisite to receive the benefits of the Caribbean Basin Initiative.

United People Coalition Parliamentarian Rodrigo Gutierrez Saenz has said that he supported the initiative because for Costa Rica "free trade is not advisable," and the GATT regulates trade.

As for PL-480, Legislative Assembly President Juan Jose Trejos Fonseca said he is against sending this "loan" for consultations to the Constitutional Room as PLN deputies are demanding.

Trejos argues that the agreement expires on 30 September, and the country runs the risk of losing it if the magistrate's decision is delayed because of the large number of cases that they are handling.

However, he pointed out that if there is no consultation, PLN deputies will not vote for this initiative, which requires a minimum of 38 votes to be approved.

El Salvador

FMLN Official Comments on U.S. Plans

PA1708140690 San Salvador Radio Cadena YSKL in Spanish 1223 GMT 17 Aug 90

[Text] The Farabundo Marti National Liberation Front [FMLN] is sure that the United States wants to consolidate the Salvadoran Government before diminishing its military aid to El Salvador, a rebel spokesman has stated in Costa Rica.

Miguel Saenz, of the FMLN Political and Diplomatic Commission, has told the media that the rebels believe that the Persian Gulf crisis is going to create difficulties for the delivery of military aid to the Salvadoran Army and will create favorable conditions for negotiations [between the FMLN and the Salvadoran Government]. But, Saenz cautioned, the United States is not just going to pull out of El Salvador and call it quits. First it is going to try to consolidate Alfredo Cristiani and to secure Central American support for U.S. foreign policy.

The rightist government of El Salvador and the leftist FMLN today will begin a new round of negotiations in San Jose. This meeting has been preceded by mutual charges of violations of human rights. The purpose of the negotiations is to establish a cease-fire following 10 years of war that have resulted in more than 70,000 deaths.

According to Saenz, the Middle East situation will make it difficult for the United States to deliver war materiel to the Salvadoran Army in the near future, because the United States is immersed [10-second break in reception]....negotiations will be: the demilitarization of El Salvador and of Salvadoran society, a purge in the Armed Forces, an end to impunity, and a revision of the agreements on human rights.

In this regard, Saenz said that the FMLN will demand that the process to legalize the agreements signed three weeks ago must be supervised by the United Nations as soon as possible—in view of the worrisome increase in human rights violations following the signing of these agreements.

Saenz said that the most obvious expression of the impunity with which the Armed Forces operate is the crime against six Jesuits in November of 1989. The Armed Forces are hiding the truth, he noted.

FMLN Demands Army Disbandment in Proposal

PA1808041090 San Salvador Canal Doce Television in Spanish 0300 GMT 18 Aug 90

[Text] An expansion of the Caracas proposal on the topic of the Armed Forces was presented by the Farabundo Marti National Liberation Front, FMLN, in San Jose, Costa Rica. The document includes 18 points on the achievement of a cease-fire and six others on a total solution based on the end of the military and the abolition of the Army.

To achieve a cease-fire, the FMLN demands the following previous agreements:

1. Total demilitarization of society

2. End of compulsory recruitment

3. Disbanding of civil defense units

4. Purging of military officers involved in human rights violations

5. Dismantling of the Atlacatl Battalion and discharging of all military officers who belonged to this battalion

6. Dismantling of clandestine prisons

7. Disbanding of death squads

8. Dismantling of all intelligence organizations of the Armed Forces

9. Dismantling of the Infantry Battalions of the Security Corps and dismissal of its members

10. Dismantling of the National Guard and Treasury Police and dismissal of its members from 1979 to date

11. Establishment of a mixed Armed Forces-FMLN commission, which will work toward the creation of a civilian police

12. Changes to the National Police during the period of transition to a civilian police that includes an international verification commission

13. Trial and punishment of those responsible for the murder of Msgr. Arnulfo Romero, Jesuit priests, Hector Oqueli, Fenastras [Salvadoran Workers National Union Federation] labor union members, and the other 1,500 people who have been murdered in different military operations

14. Trial against those responsible and masterminds of various murders committed since 1979 to date

15. Creation of a special court that judges and punishes all cases of military impunity

16. Elimination of the current deputy public security ministry

17. Appointment of civilians in the deputy defense and defense ministry

18. Drafting of an economic plan to favor those adversely affected by the demilitarization process.

The guerrilla proposal reiterates that there will be no other possibility of reaching any other agreement at the negotiations table if these steps are not taken.

FMLN Urges Cristiani To Appoint Commission

PA1808202390 San Salvador Radio Cadena Sonora in Spanish 1730 GMT 18 Aug 90

[Report by special correspondent Mauricio Ramirez from San Jose, Costa Rica]

[Text] In a letter sent yesterday to Salvadoran President Alfredo Cristiani, the Farabundo Marti National Liberation Front [FMLN] demanded that the president review the procedures being applied in the investigation of the Jesuit's murder case. The letter also demands that a commission be established, made up of Salvadoran Government representatives and the FMLN, in order to evaluate and oversee the progress in the case. This is how it is literarily stated in one of the paragraphs of the letter addressed to Cristiani. In the letter the guerrillas say that the impending appointment of current Chief of Staff Colonel Rene Emilio Ponce to the post of defense minister is an affront to justice and offends the morality of Salvadorans. Also, the letter reiterates Col. Ponce's involvement in the Jesuit murder case, according to the testimony of Colonel Guillermo Alfredo Benavides Moreno, the main person involved in this case.

The FMLN says that the amnesty resolution being prepared by the Salvadoran Government is designed to protect people who have committed murders, such as in the case of the six Jesuits. Now the situation is worse, because nine months have passed since the murders were committed and the police investigation has not yielded anything regarding the culprits. This only serves to reinforce and reaffirm the impunity of the Armed Forces and the murderers, ends the letter. The letter is signed by the FMLN General Command.

FMLN Spokesman Makes Statements on Negotiations

PA1808211890 San Salvador Radio Cadena YSU in Spanish 2200 GMT 17 Aug 90

[Report by special correspondent Mauricio Ramirez from San Jose]

[Text] A few minutes ago the delegations of the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] sat at the negotiating table with UN mediator Dr. Alvaro De Soto. The goal is to bring an end to the 10-year war in El Salvador. As on other occasions, reporters were not allowed to interview the participants in the negotiations. Only videotaping and photographs were allowed.

However, Antonio Cardenal, adviser to the FMLN's Political-Diplomatic Commission, was approached by reporters covering the event. He reiterated that the FMLN has brought a new modified proposal to pave the way for a solution to the armed conflict. Cardenal, a member of the People's Revolutionary Army (ERP), denied that there is a split within the FMLN's ranks. He said that, on the contrary, what exists is a consolidation of the five groups that comprise the FMLN.

[Begin recording] [Cardenal, in progress] ....a more concrete [word indistinct] that we hope will help make progress toward an agreement on a cease-fire. We bring up points that deal with the Armed Forces and human rights.

[Reporter] What do you expect from this meeting?

[Cardenal] We hope that the Army and the government have changed their inflexible positions so that we can reach agreements at this meeting.

[Reporter] What are the government's most inflexible positions?

[Cardenal] They are very adamant on the issue of the Army's impunity, which we think is fundamental to achieving a cease-fire and particularly to complete the investigation of the Jesuit case. We consider progress in this case to be essential; there must be no more obstacles continually raised, and a solution must be reached.

[Reporter] [Question indistinct]?

[Cardenal] We feel the role of the mediator should be to help advance the negotiating process. During the previous meeting, held here in San Jose, we set a discussion of the Armed Forces issue as a priority. Therefore, we believe that this priority must be respected and fulfilled. However, we are not closed to discussing other matters. In fact, we have a proposal to bring forward, or to carry out immediately, verification on human rights, as is demanded by all social and political forces in El Salvador.

[Reporter] You are discussing the issue of the Armed Forces, which is very difficult. Can you also discuss such topics as election reform, on which you may have some points on which you agree?

[Cardenal] This is a possibility that we have always associated with progress in discussion on this point among the political parties. We believe that if the political parties do not reach agreement on these points—they are still discussing them—we must give them time to do so—to exhaustively discuss the topic. Then we can bring it to the negotiating table. [end recording]

The government and the FMLN continue to meet as of 1614 [2014 GMT]. According to statements from by both sides, they expect to reach concrete agreements. According to the agenda set in Caracas, the priority topic should be the Armed Forces. However, as the document says, other topics can be discussed if this is permitted by the dynamics of the negotiations. The matter of the military is expected to be broached seriously with this new opportunity.

Demands Review of Jesuit Case

PA1808213190 San Salvador Radio Cadena YSU in Spanish 1730 GMT 18 Aug 90

[Report by special correspondent Mauricio Ramirez from San Jose]

[Text] In a letter sent yesterday to President Alfredo Cristiani, the FMLN [Farabundo Marti National Liberation Front] has demanded that procedures being followed in the investigation of the murder of the Jesuit priests be reviewed during this new round of talks in San Jose. It has also asked that a commission of Salvadoran Government and FMLN representatives be appointed to evaluate and watch over the development of this judicial process. This is literally stated in one of the paragraphs of the letter, to which we had access at noon today.

The letter also states that the plan to appoint Colonel Rene Emilio Ponce, who is currently chief of the Army General Staff, as defense minister is an affront to the Salvadoran people's sense of justice and an offense to their sense of morality. It reiterates the charge that Col. Ponce is implicated in the Jesuits' murder, according to testimony rendered by Colonel Guillermo Alfredo Benavides Moreno, the main suspect in the case.

The FMLN says that the bill on pardon and forgiveness that the Salvadoran Government is preparing is intended to conceal the culprits in several crimes against the Salvadoran civilian population, including the case of the six Jesuit priests. Nine months have elapsed since the murder was committed, and the situation is worse now. To date, no results have been obtained from the judicial investigation regarding the masterminding of the murder and the government's responsibility. The letter addressed by the guerrillas to the president ends by stating that this reasserts and reinforces the impunity of the Armed Forces and the culprits in the murder. The letter is signed by the FMLN General Command.

Purge in Military Discussed

PA1908002990 Mexico City NOTIMEX in Spanish 2226 GMT 18 Aug 90

[Text] San Jose, 18 Aug (NOTIMEX)—Amid deep differences, the Salvadoran Government and guerrillas today continued discussion of a purge in the Armed Forces without any progress in sight.

President Alfredo Cristiani's government rejected the proposal for demilitarization presented by the Farabundo Marti National Liberation Front (FMLN), indicating that the request for the dismantling of the Army is "unconstitutional."

Colonel Mauricio Vargas, commander of the Third Infantry Brigade and Armed Forces delegate, has said that the FMLN proposal is a step back because it proposes things that had already been discarded in the negotiations, such as the dismantling of the Army.

The FMLN has demanded the dismantling of the Armed Forces in a process that would be simultaneous to the demobilization and disarmament of the guerrillas, the purge of all the colonels and generals in active service, and the creation of a special court.

According to the proposal, the court would try and punish "all cases of impunity and war crimes committed by the Armed Forces and the paramilitary groups," and it would consist of members of the government, political forces, and the FMLN.

Justice Minister Oscar Santamaria, head of the government delegation, has reiterated that "the existence of the Armed Forces is not subject to negotiation."

He added that the Constitution establishes the existence of the Army, and therefore its dismantling cannot be discussed. What can be negotiated is its size and a reduction of troop strength, Santamaria added.

The two delegations, which are meeting under the mediation of UN representative Alvaro De Soto, expressed cautious optimism about the possibility of reaching points of concurrence, due to the diametrically opposed stances on the military issues.

The government delegation has met separately with the UN mediator to discuss the guerrilla document.

During a plenary session to be held this afternoon, the two sides will discuss their respective proposals point by point.

Commander Nidia Diaz of the FMLN Political-Diplomatic Commission has admitted that the FMLN has hardened its proposals in view of the intransigence shown in previous meetings by the Alfredo Cristiani government with regard to promoting a purge of the military ranks.

With regard to the issue of impunity, the FMLN has asked that those responsible for the assassination of Msgr. Arnulfo Romero and the six Jesuits be exemplarily tried and punished before a cease-fire is agreed upon.

It has also requested that those responsible for the killing of Social Democratic leader Hector Oqueli and Gilda Flores and for the massacre of union members and 900 peasants in Mozote, Morazan Department be tried.

The FMLN also asked for a political agreement to begin a process to investigate and bring to trial the masterminds and the perpetrators of crimes, massacres, and cases of missing persons since 1979.

In its proposal on impunity, the FMLN proposed that no case involving human rights violations during the past decade go unpunished. It said such cases involve 50,000 victims.

Confronted with the huge list of cases presented by the FMLN, the government only said that the request by the guerrillas is based on "subjective opinions," when in fact evidence must be submitted on these cases.

Despite the irreconcilable positions of the government and the guerrillas, none of the delegations spoke of the possibility of suspending the negotiations. Col. Mauricio Vargas said he was "moderately optimistic."

Jorge Shafik Handal, head of the guerrilla delegation, said it is more than likely that the talks will be extended two more days than initially scheduled.

Disagreement on Military Reform

PA1908024290 Madrid EFE in English 0111 GMT 19 Aug 90

[Text] San Jose, Aug 18 (EFE)—Peace talks between leftist Salvadoran rebels and the rightist government continued Saturday, with the two sides still far apart on proposals for reform of the Armed Forces, according to sources close to the talks.

Farabundo Marti National Liberation Front (FMLN) rebels Friday called for the "abolition" of the Army and the creation of a new civilian security force, to be simultaneous with the demobilization of the guerrillas.

President Alfredo Cristiani's rightist government offered to dissolve the Civil Defense Militia, but not the Army, in exchange for an FMLN demobilization.

While the FMLN called for the creation of a special tribunal to prosecute human rights crimes, the government proposed a general amnesty for all individuals suspected of such crimes.

In addition, the rebels proposed the "purge of all military personnel linked to human rights violations", including 200 officers.

The FMLN has said reform of the Armed Forces is its most important objective in the peace talks, while the government has stressed the importance of dismantling the FMLN to end the decade-old war.

Some 75,000 people have been killed during the war, about half of them civilians murdered by Army-backed death squads, according to human rights groups.

The permanent committee of national debate, an organization of some 80 church, labor and social groups, Saturday backed the FMLN proposal for replacement of the Army by a new civilian police force.

Government and rebel representatives are trying to hammer out a cease-fire agreement in closed-door talks mediated by United Nations envoy Alvaro de Soto in the Costa Rican capital.

In its 18-point proposal, the FMLN also called for the disbandment of the Salvadoran Secret Police and National Guard.

The rebels demanded the destruction of "the clandestine jails and all the Armed Forces instruments of torture", as well as the punishment of military personnel and civilians responsible for "genocide".

The FMLN called for the dissolution of the death squads, "especially those led by (retired Army) Major Roberto d'Aubuisson and the businessman Orlando de Sola".

D'Aubuisson is the founder of the right-wing Arena party currently in power.

The government's 33-point proposal includes plans to establish an Armed Forces human rights office, and to include "humanistic subjects" in military training.

In the last round of peace talks, held in San Jose last month, the two sides agreed to authorize the United Nations to monitor human rights in El Salvador after an eventual cease-fire is signed.

Earlier this year, the two sides agreed to try to negotiate a cease-fire by September.

This round of talks, which began Friday, is expected to last until Wednesday.

Government Prepared To Revise FMLN Agreement

PA1708140390 Mexico City NOTIMEX in Spanish 1059 GMT 17 Aug 90

[Text] San Jose, 17 Aug (NOTIMEX)—It has been reported here that the Salvadoran Government is prepared to revise the agreement it signed with the guerrillas to immediately establish the international commission that will watch over respect for human rights in El Salvador.

Salvadoran Justice Minister Oscar Santamaria, who heads the government delegation to the fourth round of negotiations with the guerrillas of the Farabundo Marti National Liberation Front (FMLN), has arrived in San Jose.

Santamaria told NOTIMEX that, in view of UN proposals, the official delegation is willing to modify the agreement signed with the FMLN in San Jose in July.

According to the human rights agreement promoted by Alvaro de Soto, representative of UN Secretary General Javier Perez de Cuellar, there will be international verification of the agreement when there is a cease-fire between the two opposing sides.

Today, representatives of President Alfredo Cristiani's government and the FMLN will begin the fourth phase of peace talks during which they will continue discussing the issue of the Salvadoran Armed Forces, about which there has been no progress.

Miguel Saenz of the FMLN's Political-Diplomatic Commission has announced that the guerrillas will present "new proposals" on the military issue so as to speed up the discussions.

FMLN sources indicated that the guerrillas will present a four- point proposal that calls for a gradual reduction of the Armed Forces and a military purge, "which would not mean a witch-hunt within the Army."

The proposal states that the verification of the Salvadoran people's human rights must not be conditional on a cease-fire, and it calls for the immediate installation of a team of UN observers.

According to the sources, the FMLN proposal endeavors to coincide with the government, after disagreements on the military issue emerged in the previous meetings in Oaxtepec, Mexico, and San Jose.

Justice Minister Santamaria said the government is not bringing new proposals on this issue and that it maintains its offer of subordinating the Armed Forces to the democratic system, as it proposed in the previous round of talks.

"We hope the FMLN will adopt a more favorable attitude that will permit us to reach an initial agreement on the issue of the Armed Forces, on the basis of basic points of convergence, without exhausting the topic or satisfying 100 percent of the demands."

He added that a minimum agreement could be reached at this meeting, and then in subsequent negotiations they could gradually advance until they exhaust the military aspect, which is considered essential to end the war in which approximately 75,000 people have died.

The fourth phase of the dialogue, which begins today in a hotel near San Jose's airport, is scheduled to end on 22 August, although it might be extended.

The FMLN will include Francisco Mena, a former Salvadoran officer who deserted to join the guerrillas, as a military adviser in the negotiations.

Rebels Offer Disbanding in Exchange

PA1808024090 Panama City ACAN in Spanish 0130 GMT 18 Aug 90

[Text] San Jose, 17 Aug (ACAN-EFE)—The Farabundo Marti National Liberation Front [FMLN] today offered to disband in exchange for the abolition of the Salvadoran Army and the creation of a new civilian police, which would protect the country's sovereignty.

The rebels' proposal was made in an extensive document that the FMLN General Command today delivered in San Jose, where delegations of the rebels and the government are meeting to try to end a decade of hostilities.

According to the document drafted by the rebel leaders, "the FMLN agrees to have the two armies disbanded in a gradual, even process, provided a new civilian public security institution is created."

The document, which explains the FMLN's proposal "to do away with militarism, establish a cease-fire, and progress toward democracy without arms," was released to the public by the rebels after they delivered it to the government delegation headed by Salvadoran Justice President Oscar Santamaria.

Behind closed doors, the two delegations are debating the point concerning the Armed Forces, as they agreed to in the previous meeting held three weeks ago in San Jose.

Among the 18 basic points "prior to a cease-fire," the rebels demand "a commitment to fully demilitarize society by disbanding the two armies," the disarming and disbanding of the civilian defense groups and the "death squads," "particularly those headed by retired Major Roberto d'Aubuisson and businessman Orlando de Sola."

Other demands include discharging all the members of the elite battalions, the National Guard, and the Treasury Police, and dismantling the National Department of Intelligence.

The FMLN demands punishment for human rights violators and the masterminds and perpetrators of murders and massacres—such as that of the six Jesuits—perpetrated since 1979 and which, the FMLN asserts, have resulted in more than 50,000 victims.

De Soto: Conditions Do Not Exist for Observers

PA1908035790 Mexico City NOTIMEX in Spanish 2247 GMT 18 Aug 90

[Text] San Jose, 18 Aug (NOTIMEX)—UN representative Alvaro de Soto said today that "favorable conditions do not exist" for the immediate establishment of a mission of observers, who will guarantee respect for human rights in El Salvador.

De Soto stressed that until a cease-fire is agreed upon, there is not an "appropriate climate" to create a UN mission to oversee that the government and the rebels respect the human rights of Salvadorans.

According to the participants at the peace talks, De Soto's statements represent a negative response to the petition by the Farabundo Marti National Liberation Front [FMLN], which requested a revision of the human rights agreement to immediately create an observer mission.

Colonel Mauricio Vargas, Armed Forces delegate at the meeting, has said that the Government of President Alfredo Cristiani is not opposed to an immediate verification process. However, at the present time, he added, UN regulations prevent sending an observer mission to El Salvador.

Col. Vargas added: "As long as the war continues and no cease-fire is agreed upon, the United Nations cannot send an observer mission to El Salvador."

De Soto, the mediator in the peace negotiations, stated in a news conference that "there are practical problems to establishing a mission of this nature in El Salvador."

The San Jose Agreement establishes the creation of an observer mission to verify and investigate reports of human rights violations that are filed by the people throughout the country.

"Until conditions to work and move about freely exist, we will not begin working," said De Soto. For now, he added, the creation of such commission is untimely.

Col. Vargas stated that the government and the FMLN would be acting irresponsibly if they propose the arrival of foreign observers, who may become victims of bombs or cross-fire, in El Salvador.

Sources close to the meeting reported that, in the stage prior to attaining a cease-fire, the government and the FMLN have been trying to find alternative solutions that will guarantee some form of human rights observance.

These sources added that the hostilities between the Armed Forces and the rebels can be avoided in different ways, without resorting to an in situ observer mission.

Army Terms Moakley Statements 'Speculative'

PA1808041590 San Salvador Canal Doce Television in Spanish 0308 GMT 18 Aug 90

[Text] The Armed Forces have described the statements made in the United States by U.S. Congressman Joseph Moakley as false and speculative. Moakley contends that the Salvadoran Armed Forces are blocking the investigations in the Jesuit case.

The Defense Ministry issued an official communique rejecting the aforementioned statements. The communique states that the Armed Forces High Command has cooperated with justice in this case and all others.

The Armed Forces communique states that out of respect for the Salvadoran people, the Army denies the Moakley version, which they said is based on speculation and isolated events. The Armed Forces believe that the statements by the U.S. congressman have a political character and adversely affect the image of the government, the Armed Forces, and the administration of Salvadoran justice.

Finally, the Armed Forces stated that the institution does not exert pressure on the Judiciary Branch, much less does it limit the initiatives of President Cristiani, as was reported by Congressman Moakley.

FMLN Accuses Vargas of Human Rights Violations

PA1908233390 Panama City ACAN in Spanish 2146 GMT 19 Aug 90

[Text] San Jose, 19 Aug (ACAN-EFE)—The Farabundo Marti National Liberation Front [FMLN] today accused Colonel Mauricio Vargas, a prominent member of the government delegation to the peace talks with the Salvadoran guerrillas, of having committed serious human rights violations in 1980.

Guerrilla leader Francisco Mena Sandoval, a Salvadoran Army deserter, said in a news conference today that in 1980 Vargas formed an anti-communist group in Santa Ana Department that allegedly is responsible for the "execution" of hundreds of Salvadorans.

Meanwhile, Col. Vargas, who was Mena's superior officer in Santa Ana until 1981, questioned the credibility of the former officer who, Vargas said, "does not have the moral authority" to accuse him.

Vargas said there is no place for "personal" accusations in the peace negotiations being held by the FMLN and the Salvadoran Government in San Jose since 17 August. Therefore, he added, such charges should not hinder the dialogue process.

The issue of the Armed Forces is being heatedly discussed by the two sides, although, according to the Salvadoran colonel, who is a trusted aide of President Alfredo Cristiani, "there is slow but sure progress."

Recalling the 1979 military coup, Mena said the "young officers" at that time committed the mistake of leaving "five rotten apples." He was referring to five officers who were not purged at that time, among whom, he said, were former Defense Minister Eugenio Vides Casanova and Colonel Abdul Gutierrez, who works in a government office.

Mena accused Vargas, current commander of the 3d Infantry Brigade headquartered in eastern San Miguel Department, of having ordered the execution of a popular leader, who was able to survive and is now under the protection of the FMLN.

Mauricio Vargas said the charges by his former executive officer "do not make me lose any sleep. The people of eastern El Salvador, whom I have served for nine months, will be the ones to express an opinion on my record in 10 years of service."

The Salvadoran colonel said that, with such attacks, the FMLN has "an objective different from that of seeking peace in El Salvador."

The government-FMLN talks began a recess at 1500 (2100 GMT) and will resume at 1900 (0100 GMT), continuing the discussions on the issue of the Armed Forces. The negotiations are being held with UN mediation.

Recent Army-FMLN Clashes Leave 20 Casualties

PA1808215790 Panama City ACAN in Spanish 1700 GMT 18 Aug 90

[Text] San Salvador, 18 Aug (ACAN-EFE)—Recent fighting between the Salvadoran Army and Farabundo Marti National Liberation Front [FMLN] guerrillas has caused over 20 casualties, including dead or wounded, while delegations from the warring sides are holding a new round of talks in Costa Rica. The Armed Forces Press Committee reported today that nine guerrillas were killed and three soldiers were wounded in fighting in San Jose Las Flores, a town 80 km north of San Salvador. The guerrillas claimed that they inflicted five casualties on the Army in that same clash.

Government troops are conducting a counterinsurgency operation in northern San Salvador and in strife-torn Chalatenango Department. Residents of Chalatenango towns have indicated that two days ago the Army flew in a large number of soldiers in 14 helicopters and other military aircraft and bombed alleged rebel positions. The military report added that two guerrillas were killed and three more were wounded in fighting in towns in Morazan and Custalan Departments, located northeast and north of San Salvador, respectively.

Meanwhile in Costa Rica, government and guerrilla delegations are analyzing the future of the country's Armed Forces, which have been engaged in civil strife for over a decade.

Church Sees FMLN Making 'Excessive' Demands

PA1908234990 Mexico City NOTIMEX in Spanish 1829 GMT 19 Aug 90

[Text] San Salvador, 19 Aug (NOTIMEX)—The Catholic Church leadership today expressed the opinion that the guerrillas' "excessive" demands at the negotiating table "fuel pessimism and defeatism about the chances of attaining peace."

In the traditional Sunday homily, Gregorio Rosa Chavez, auxiliary bishop of San Salvador, contended that the Farabundo Marti National Liberation Front (FMLN) has adopted a harder line "and would seem to be going back on some points."

The FMLN submitted to the "San Jose II" meeting a proposal in which they offer the disbanding of the guerrillas but demand the elimination of the Armed Forces, which was turned down by the government on the grounds that "the existence of the military is not under discussion."

"The FMLN's demand to agree to a cease-fire is not making anything easier," the Catholic priest said. He pointed out, however, that "I do not want to speculate too much because I do not know what may be behind the proposal."

He admitted that one of the thorniest points to be discussed during the peace talks is "the attitude of certain sectors of the Armed Forces about the investigation of the murder of the Jesuit priests."

The Catholic Church has accused Armed Forces members of lying in connection with the murder of the six Jesuits and two lay women, which was carried out by a group of soldiers during the predawn hours of 18 November 1989.

Rosa Chavez said that the San Salvador Archbishopric gave UN mediator Alvaro de Soto a proposal on the mechanisms "to address the controversial topic of military impunity."

Although admitting that the negotiations face serious obstacles, he said that they "are not insurmountable" and expressed the Catholic Church's hope that "some sort of agreement" will be reached in San Jose.

In addition, he expressed satisfaction over the substantial reduction in human rights violations by the Army, which he described as "an interesting and new symptom."

FMLN Claims Inflicting 172 Military Casualties

PA2008021690 Paris AFP in Spanish 1533 GMT 19 Aug 90

[Text] San Salvador, 19 Aug (AFP) — The Salvadoran guerrillas claimed today that they killed or wounded 172 soldiers in clashes during the past week in various zones in the country.

During its report on military actions from 12 to 18 August, the Farabundo Marti National Liberation Front (FMLN) reported that two 2d lieutenants and six soldiers are among those killed. The source adds that nine soldiers were taken prisoner, but six of them were later released because they were wounded. The report broadcast by the clandestine Radio Farabundo Marti adds that the guerrilla actions took place mainly in the Departments of Cuscatlan, Chalatenango, Cabanas, San Vicente, and San Salvador.

The intensification of armed actions coincides with the new round of talks the government and the FMLN have been holding since 17 August in San Jose, Costa Rica to search for agreements that will lead to a cease-fire after 10 years of war.

Last week the rebels intensified their sabotage of the electricity system and blew up 42 power poles and towers that hold eight 115,000-volt lines, causing power outages in 50 percent of the country.

The press committee of the Armed Forces admitted that about 50 soldiers had been killed or wounded. Government troops maintain continuous surveillance throughout the country, especially in San Salvador, in preparation for more rebel attacks.

Guatemala

Commercial Relations With Iraq Suspended

PA1708164690 Panama City ACAN in Spanish 1508 GMT 17 Aug 90

[Text] Guatemala City, 17 Aug (ACAN - EFE)—The Guatemalan Foreign Ministry announced today that Guatemala has suspended its commercial relations with Iraq and has ordered the freezing of all deposits of Iraqi corporations in Guatemalan banks.

Deputy Foreign Minister Mario Hugo Rosal told the media that the government of President Vinicio Cerezo has thus complied with UN Security Council resolutions. These resolutions ask UN member countries to suspend all relations with Iraq because of its invasion and occupation of Kuwait, the deputy foreign minister said. He noted that the Guatemalan measure is a statement more than anything else since Guatemala's commerce with Iraq is minimal. He said that Iraq is one of the countries that buys cardamom from Guatemala, but this product, he noted, can be sold to other countries.

The deputy foreign minister said that the liabilities and assets that Iraqi businessmen may have in Guatemalan banks will be frozen to protect their owners.

President Announces Imminent Hike in Fuel Prices

PA1808035790 Panama City ACAN in Spanish 2045 GMT 17 Aug 90

[Text] Guatemala City, 17 Aug (ACAN-EFE)—Guatemalan President Vinicio Cerezo today announced an imminent increase in the price of fuel, as a result of the crisis in the Persian Gulf after the Iraqi invasion of Kuwait.

Cerezo told the press that the situation in the Middle East "will cause us problems with the price of petroleum." As an example, he noted that the price of fuel has already increased in the United States.

Cerezo stated that, up to now, the government has been able to contain the sudden change of crude oil prices on the international market. However, "we must undoubtedly consider the possibility of an increase in the price of fuel," he said.

Cerezo did not elaborate on the amount of the price increase, but he added that the government will do all it can to minimize it.

According to Cerezo, the greatest problem that people are currently facing "is the speculation of evil businessmen, who are trying to obtain excessively large profits within a short period of time."

Raul Castaneda, Guatemalan minister of Energy and Mines, has said that the latest shipments of fuel that has arrived in Guatemala already has a higher price.

Castaneda stated that the increase of $0.10 for every gallon will not be passed on to consumers, because the government's compensation fund will absorb the increase.

At the present time, the price of a gallon of unleaded gasoline in Guatemala stands at $1.17, regular gasoline sells for $1.12, and a gallon of diesel fuel sells for $0.68.

Honduras

Minister on Soviet Relations, Diplomat's Visit

PA1808170890 Panama City ACAN in Spanish 2241 GMT 17 Aug 90

[Text] Tegucigalpa, 17 Aug (ACAN - EFE)—Foreign Minister Marios Carias Zapata said today that the Soviet Union "is contributing toward peace in Central America" and is supporting "a negotiated solution to the Salvadoran conflict." The official made those remarks after meeting with Soviet Ambassador to Nicaragua, Valeriy Nikolayenko, who was invited by the Honduran Government for a visit that included a meeting with Honduran President Rafael Leonardo Callejas.

After talking to Nikolayenko, Callejas held his usual meeting with U.S. Ambassador Cresencio Arcos. Carias Zapata noted Moscow's support for the Sandinist electoral process and added that Moscow "supports a negotiated solution" to the Salvadoran conflict. Despite recent developments, the foreign minister said that his country and the Soviet Union "are not yet considering full diplomatic relations." "We are holding bilateral talks, but we must still work out how a closer relationship can be achieved," the official noted.

The foreign minister added that the invitation made to Ambassador Nikolayenko "constitutes a demonstration of our interst to improve relations." In this respect, he stressed, Honduras wants to increase its trade relations with the Soviet Union, without "ideological" interference. The two nations began a number of trade contacts in 1988 that culminated in the signing of a bilateral treaty in 1989.

In the past two years, delegations of Honduran politicians and businessmen have gone to Moscow, while Soviet missions—including parliamentary delegations—have visited this Central American country. The official explained the Honduran Government has not consulted the U.S. Embassy in Tegucigalpa about these contacts because "we are taking care of our country's interests."

* 1.8 Million Quintals of Coffee Exported

90CA0081C San Pedro Sula LA PRENSA in Spanish 25 Jun 90 p 2

[Text] Tegucigalpa—Of the coffee yield from the 1989-90 harvest, 1.8 million quintals have been sold on the world market, with 800,000 quintals, the balance of the production during this time, still to be shipped abroad. Sources in the state and private bodies active in this sector have reported that all of the production has been sold. However, some contracts for future delivery, based on the prices the beans will command in the coming months, remain to be concluded.

At the conclusion of the sales operation, Honduras will have earned about $150 million, a part of which has already been received in the country, as required by the higher authorities.

For the time being, there are no real indications that the producer countries will again operate on a quota market, since the prices remain at between $85 and $88 per sack weighing 46 kilograms, as determined by the New York Stock Exchange.

The coffee market has now entered its slowest stage beginning with the summer season, when demand drops steadily, in terms of the world's leading consumer countries. In addition, the principal markets in Europe and other parts of the world are saturated with this product, and to this must be added the fact that Brazil has not yet defined the policy it will pursue in marketing coffee in the future.

This official explained that the fact that the quota market was suspended last year has to some extent benefited Honduras, since it gave us the freedom to send all of our production to the world markets, taking advantage of the excellent reputation the beans harvested here have on those markets.

Ramiro Figueroa expressed regret that the preceding administration decided to close the Coffee Office operating in London, of which he was the representative for a certain period. He added that efforts are now being made to get it operating again, since its activities are of importance in terms of the coffee produced in this country.

In another connection, he said that the technicians at the Honduran Coffee Institute have done research resulting in the development of a new variety of bean of excellent quality called Ihcafe-90. This represents a success for the program, which is being carried out with the assistance of the Agency for International Development.

Nicaragua

Chamorro Requests Pardon for Common Criminals

PA1808001390 Managua Domestic Service in Spanish 1930 GMT 17 Aug 90

[Text] The board of directors of the National Assembly today learned that a request submitted by President Violeta Barrios de Chamorro will benefit the murderers of her husband, Dr. Pedro Joaquin Chamorro.

The pardon request submitted by Dona Violeta is divided into two parts: a regular pardon for common criminals and a pardon for the murderers of Dr. Pedro

Joaquin Chamorro. Let us listen to Luis Sanchez Sancho, first vice president of the National Assembly, who will provide more details.

[Begin Sanchez recording] This morning the board of directors of the National Assembly has officially learned of the pardon request submitted by the president. The request is divided into two parts. The first part is a regular presidential pardon for low-level common criminals, who committed unimportant crimes and received minor sentences. The president believes these people should receive a pardon based on their behavior while in jail.

The second part is a pardon for the murderers of Dr. Pedro Joaquin Chamorro. The president even asked that her pardon request for the murderers of her husband be processed urgently. In keeping with the president's request, this pardon will be discussed directly by the assembly plenum in the sessions scheduled for next week. It will not be discussed by the corresponding assembly committee, but the plenum will make a decision.

I think this is a very important gesture by the president. Regardless of the fact that the president had repeatedly promised to grant a pardon during her electoral campaign, this represents a very important political and humanitarian gesture. It is a clear and conclusive demonstration of the spirit and desire for national reconciliation of the government, particularly Dona Violeta Barrios de Chamorro. She is not acting insincerely or talking about reconciliation in a demagogic manner. Dona Violeta, as president, has taken specific steps to request a pardon even for the murderers of her husband, the martyr of public freedoms. This is a very important lesson that I hope some people will take into consideration. I am referring to those who talk in a demagogic fashion about reconciliation but are doing everything possible to obstruct this beautiful process that will lead to new ways of peaceful coexistence among Nicaraguans. [end recording]

Radio Rivas Said Destroyed by Sandinists

PA1708194590 Managua Radio Catolica in Spanish 1130 GMT 16 Aug 90

[Text] [Announcer] "The Awakening" newscast listeners, we will now contact Rene Martinez, who has been appointed new director of Radio Rivas, which was placed under the municipality's mayoral office. However, we have learned that Sandinist mobs destroyed the station. Go ahead Rene.

[Martinez] That is correct, Radio Catolica and "The Awakening" newscast listeners. Yesterday was a festive day throughout Rivas Department and all corners reached by the radio station that was called Southern Front Radio until yesterday and was in the hands, or rather in the power, of the Sandinists.

Yesterday at 1000, officials of the mayor's office, town councillors, and the people of Rivas went to take over the radio station that belongs to the people. The residents held a party over my taking possession of the station in my capacity as director. They telephoned the station to celebrate that it was now in democratic hands—in the hands of the new government.

This station, which was previously solely involved in partisan propaganda for the Sandinist National Liberation Front [FSLN], was recovered yesterday not to serve a single party, but to serve all segments of the population. The residents were happy over this, and they even organized a popular fiesta with mobile discotheques and the best orchestras of Rivas. We celebrated this move with Mayor (Hector Lituarte) and his town councillors.

However, while this was happening inside the station, while we were celebrating the transformation of Radio Southern Front, which only brings to mind ill-fated times, into Radio Rivas, the mobs were planning to occupy the station. This was organized at the headquarters of teachers beloning to Anden [National Association of Nicaraguan Teachers] in downtown Rivas.

We learned that trucks were bringing mobs not from Rivas, because people know each other in Rivas, but from the cooperatives. They are fraternal peasants who were manipulated by the FSLN, who claim to be ruling from below. They are fraternal peasants who work at the Benjamin Zeledon sugar mill and other institutions.

What happened? At 1730 Mayor (Hector Lituarte) and I, in my capacity as station director, met with the previous station directors—Pablo Lara, Flor Palma, and Lourdes Vanegas. The dialogue was totally unproductive. They insisted on not turning over the station, although we had already taken possession and the people were celebrating.

At 1730 we left the meeting, and 10 minutes later more than 200 or 300 people were among the infamous divine mobs ready to attack us. They entered the building; we closed the doors and tried to call the police. We also called the police by radio, but ladies and gentlemen, the Rivas Police did not heed our call. The mobs entered the station armed with clubs. They shattered windows and destroyed doors and fired shots. I have not been back to the station but there were wounded people. I was kicked; my shoulders and stomach still ache. They drew blood from the mayor.

The workers and announcers of the former Radio Southern Front were supporting the new administration because the previous administration was only paying five million cordobas every 15 days. We told them that the station would be democratic again and the station would enjoy the support of the Chamber of Commerce. They celebrate this and support us.

This is the situation at the plant located in Popojuapa. There were wounded there mainly because Popojuapa residents supported this action—the new government's decision to take possession of its radio station. Even children were beaten and injured. The Red Cross in Rivas last night could not work fast enough to transfer the injured to the Rivas hospital.

I want the nation, and if possible, the world to know that chaos and anarchy still reign here in Rivas, because there is no military and police support for democracy. Later, the departmental police chief, Captain Pedro Benny Morales, summoned us to a meeting at his office. He explained that the police was preparing to leave when we called them, but I wonder how long they needed because we had been calling for help over the telephone and radio.

However, I personally believe that Capt. Moran is approachable. He sent his special policemen. But when? When we had already been kicked and injured, because there is evidence of this. I would have liked the Sistema Nacional de Television Network to go to Rivas to film the barbaric actions that the Sandinists committed last night in Rivas. We were supported by the people but were mistreated.

Panama

PCC on Iraqi, Kuwaiti Ships Transitting Canal

PA1708164190 Panama City Radio KW Continente in Spanish 1216 GMT 17 Aug 90

[Italicized passages are recorded]

[Text] Panama Canal Administrator Fernando Manfredo Jr. has said that 76 years after the canal was built it is as good as ever. We have Jenny Lee Martinez' report:

[Acting Panama Canal Commission (PCC) Administrator Fernando Manfredo] In the event an Iraqi or a Kuwaiti-flagged vessel were to transit the canal, we would request a cargo declaration, such as we request from all vessels. Some ships carry dangerous cargo, and this has to be declared 24 hours in advance. Iraqi ships do not transit the canal. We know of some 24 Kuwaiti vessels that regularly transit the canal, many of which are on charter to other countries. If an Iraqi or Kuwaiti vessel were to arrive—let us say, for example, one of the vessels that do not normally use the canal—we would naturally take special care to check the cargo declaration. The PCC has the sufficient authority to inspect the cargo, if this were necessary, just as we have done in many cases. We would also report it to the proper authorities.

In the past, when we have had reason to suspect that a ship might be carrying drugs, we have coordinated with the Panamanian authorities for them to board the ship once it has completed its canal transit. Therefore, if one of the ships you have just asked me about were to transit the canal, and there were reasons to suspect it was carrying war materiel, as you mentioned in your hypothetical question, we would then alert the proper authorities to board this vessel once the canal transit was completed. Just because we allow a vessel to transit the canal does not mean this ship is outside Panamanian jurisidiction. The canal waters are under Panamanian jurisdiction, and it is our responsibility to notify the authorities of any transiting vessel carrying cargo that may be considered illegal.

Regarding future PCC projects, Mr. Manfredo said:

[Manfredo] *The Culebra Cut widening project is the PCC's responsiblity. There are some projects under study on possible canal alternatives, but that is by a tripartite commission. The Culebra Cut widening project has been under study for several years and a report will be presented at the next board of directors' meeting in October. The board will then instruct the PCC on what to do—either to continue the study or to end it, which is very improbable. The board will then decide if it is worthwhile to approve a program to carry out this project.*

On the topic of the canal's 76th anniversary, Administrator Manfredo said:

[Manfredo] *I would say that the canal is better today, 76 years after it was built—it has greater energy and a greater capacity to continue serving the world.*

Fuel Price Increases Said 'Virtually Certain'

PA1908160590 Panama City EL PANAMA AMERICA in Spanish 18 Aug 90 p 1

[Report by Juan Pritsiolas]

[Text] Commerce Minister Juan Chevalier reaffirmed yesterday that "it is virtually certain" that fuel prices will increase by the end of the month or early September.

Chevalier, who was interviewed near the presidential palace, said that Panamanians must "mentally prepare themselves for an increase in prices" of petroleum derivatives because Panama "will not be the world's exception" in price increases resulting from the Middle East crisis.

Guillermo Endara's cabinet member also ruled out that the government will absorb the cost of the increases with the 90 cents it charges for each gallon gasoline.

"That is impossible," Chevalier said, adding that the national Constitution bans a reduction of taxes in the middle of a fiscal period.

In 1989 Panama consumed 62.5 million gallons of premium gasoline, 8.1 million gallons of diesel gasoline, and 4.5 million gallons of bunker fuel.

Our country purchased 5.701 million barrels of pertroleum at a cost of $98 million from Mexico, Venezuela, and Ecuador last year.

Minister Linares Comments on U.S. Treaties

PA1708171990 Panama City Radio KW Continente in Spanish 1200 GMT 16 Aug 90

[Statement by Foreign Minister Julio Linares in Panama City; date not given—recorded]

[Text] Panama and the United States reciprocally assist each other—assistance based on treaties. It is important that such treaties establish the scope of the assistance. It is true that assistance treaties are beneficial because we cannot function as we did at the beginning of the century when each state individually fought crime. There are many international crimes—crimes carried out in various nations.

There is the case, for example, of drug trafficking. Cocaine is produced in South America. Central America—Panama, specifically—is a transit point. The drug is later consumed in the United States and in European countries. This does not mean that cocaine is not consumed here. So here we have a producing country, a transit country, and a consuming country.

For this reason there must be assistance, cooperation, and aid among the various countries so that this crime may be really fought because we want to end the drug scourge.

What we say about drugs applies to a lesser degree to other crimes. The objective is to fight crime.

It is important, however, not to give these treaties an excessively large scope because this could be harmful—that is, a violation of these agreements by the parties could be harmful. The treaty itself does not establish penalties. This is logical: No state can penalize another state. The treaty, however, does establish that it can be terminated after either of the parties gives a six-month termination notice. This arrangement benefits both Panama and the United States, because if at any given moment we or the United States decide that the treaty is unfavorable, or that it is not yielding the expected results , or that it is being violated because, let us say, the United States does not give Panama the cooperation our country may request, then the Panamanian Government could tell the United States: Gentlemen, this treaty will be terminated in six months.

This means that we have the power of terminating the treaty after giving six-months notice.

Linares Reports Joint U.S. Coastal Patrol

PA1908185590 Panama City LA PRENSA in Spanish 19 Aug 90 p 1

[Report by Jose Quintero de Leon]

[Text] Panamanian Foreign Minister Dr. Julio Linares has told LA PRENSA that the Panamanian and U.S. Government could soon sign an agreement on jointly patrolling the Panamanian coastal areas and that one aspect of this agreement would be that Panamanian sovereignty would not be lessened.

Linares said that although the issue had apparently ceased being a matter of current interest, the two governments had continued their search for an agreement that could be formalized with an exchange of notes. Linares was pleased to say: "I believe that we are close to reaching a definite agreement that will not affect Panama's sovereignty."

Regarding the controversial issue of a treaty to exchange information with the United States, an idea that has been questioned by some Panamanian sectors, Linares said that the Foreign Ministry's National Council, the attorney general, and the finance and treasury minister are studying the latest draft of that agreement.

These authorities are participating in this analysis because the agreement implies exchanging legal information that could involve cases being tried in Panama. Some sectors fear that there could be information on certain types of fiscal crimes and this is why the finance minister is participating, Linares said.

Linares made this statement upon his arrival from the Dominican Republic, where he attended the inauguration of President Dr. Joaquin Balaguer, representing President Guillermo Endara. This is the fourth time that Balaguer has assumed the presidency in his country.

LA PRENSA asked Linares about the Dominican crisis, and he spoke about the difficult situation that the elderly Dominican president will face in this new presidential period.

Linares mentioned the fact that Balaguer will be facing a parliament in which his party has a slight majority in one of the chambers but is a minority in the other. The situation is such that on 17 August, as a result of discrepancies involving the election of the Legislative Assembly chairman, Balaguer had to be sworn in by the Supreme Court of Justice and not by the Legislative Branch, an unprecedented event.

Linares also said that during his stay in Santo Domingo he held a lengthy meeting with the foreign minister of Morocco who expressed his country's interest in strengthening commercial and diplomatic ties with Panama.

Morocco, Linares said, is a moderate Arab country, and if it establishes ties with Panama, it could become, because of its importance and its sustained pro-Western position, an additional link with the Arab world.

About the opinion that guests at the Dominican presidential inauguration expressed regarding Panama, Linares said that all of them referred very positively to the Panamanian Government and President Endara and regretted that he was unable to attend the ceremony to which he had been especially invited by President Balaguer.

Endara Favors Withdrawal of Military Policemen

PA1708213690 Panama City LA ESTRELLA DE PANAMA in Spanish 14 Aug 90 pp 1, 2-A

[Report by James Aparicio]

[Text] Panamanian President Guillermo Endara said yesterday that the U.S. military presence in Panama "will diminish gradually" and admitted that unemployment "is the leading source of suffering for the Panamanian people."

"We should consider how much things have changed since 20 December," Endara told LA ESTRELLA DE PANAMA.

The president mentioned the interests of the Panamanian and U.S. Governments in withdrawing the U.S. soldiers—approximately 150 military policemen distributed throughout several of the country's provinces.

"We want the Americans to leave, and they want to leave, and it is now only a question of time," Endara said, adding that unemployment "is an overwhelming problem" that is affecting the country."

Endara admitted that politically "the country is moving along" and added that despite criticism of an allegedly weak government effort, it is a democratic government.

"Compared to the Noriega regime, this is a weak government....because it seeks to convince, whereas Noriega imposed himself militarily," Endara stressed, underscoring that the ruling coalition "seeks to convince and does not impose itself."

"This is not a weak government, this is democracy," Endara said, describing the lawsuit filed by three lawyers against Vice President Ricardo Calderon as "making no sense at all."

Endara displayed optimism concerning reconciliation under his government and said: "This government is going to be the basis for a bigger and better Panama, as Dr. Arnulfo Arias Madrid wanted."

Endara spoke favorably of the report presented by the National Reconciliation Commission, which called for the withdrawal of U.S. troops from Panama, amnesty for political crimes, and a special investigation into the events of 20 December 1989.

"The government will study the problem" Endara said, estimating that the Cabinet will study over 100 recommendations presented by the commission concerning justice, politics, economy, and national sovereignty.

Government Calls Special Legislative Session

PA1708182690 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Aug 90 pp A-1, A-2

[Executive Decree No. 325 issued in Panama City on 16 August, "whereby the executive branch calls the Legislative Assembly to a special session"]

[Text] The president of the Republic, exercising his constitutional and legal powers,

Whereas:

There are two vacancies in the Electoral Tribunal that are to be filled by the legislative branch;

According to Article 179, Section 4, of the National Constitution, it falls on the executive branch "to inform the legislative branch about any vacancies in posts it must take steps to fill";

According to Paragraph 2 of Article 136 of the National Constitution, it falls on the legislative branch to fill any vacancies that may arise;

There is a virtually unanimous opinion that the Electoral Tribunal must be urgently reinstituted because important matters are pending at that tribunal, to wit: rulings on appeals filed against proclamations made by virtue of the elections of 7 May 1989 and the urgent need to hold partial elections in the electoral circuits and corregimientos in which new elections are required to be held to elect legislators and corregimiento representatives; and

According to Paragraph 2 of Article 143 of the National Constitution, it falls on the executive branch to convene the National Assembly to special sessions,

Decrees:

Single Article: To convene the legislative branch to a special session beginning on Monday, 20 August 1990, and ending not later than on Wednesday, the 29th day of the same month and year, to receive from the executive branch the information on the vacancies at the Electoral Tribunal to be filled by the legislative branch in accordance with Article 155, Section 5, of the National Constitution.

Issued in Panama City on 16 August 1990.

Release and publish.

Guillermo Endara Galimany, president of the Republic

Ricardo Arias Calderon, government and justice minister

Ford on Economic Plan, Assembly Presidency

PA1808171290 Panama City Circuito RPC Television in Spanish 2300 GMT 17 Aug 90

[Text] The Executive Branch will meet on 18 August in Cermeno with legislators in order to discuss the government's economic plan. Guillermo Ford, minister of planning and economic policy, comments on the meeting.

[Begin recording] [Ford] We have summoned the honorable legislators for a meeting on 18 August. At the meeting we will provide all the details of the economic plan that have been discussed with all concerned groups. By the way, this afternoon's cabinet meeting will be devoted to reviewing the final details of the economic program.

We are pleased to be able to exchange views with the legislators so that they can become familiarized with the program.

[Unidentified reporter] Do you think that the crisis between the legislators of the PDC [Christian Democratic Party] and the Molirena [Nationalist Liberal Republican Movement] will be resolved at the Cermeno meeting?

[Ford] I have always respected the separation of powers, and this problem should be resolved by the legislators themselves. However, I insist that in a government alliance posts should be rotated, not in the presidency of the Republic, but perhaps in the presidency of the Legislative Assembly.

[Reporter] Will this issue be discussed at tomorrow's meeting?

[Ford] I do not know. The truth is that I do not know.

[Reporter] Will the PDC and Molirena analyze [words indistinct] for the presidency of the Legislative Assembly?

[Ford] You should ask the honorable legislators who signed the pact. However, I reiterate that the goal of a government alliance is to share the responsibility of handling the entire govenment, including the honorable Legislative Assembly. [end recording]

Endara, Ministers Discuss Economic Plan

PA2008015590 Panama City LA PRENSA in Spanish 19 Aug 90 p 1

[Report by Vilma E. Figueroa B.]

[Text] President Guillermo Endara, his ministers, the comptroller, and legislators held a private meeting yesterday at the presidential farm of Cermeno, in Capira, to analyze the government's economic plan.

Planning and Economic Policy Minister Guillermo Ford said that the purpose of the meeting was to report on the plan and to avoid speculation.

He noted that what is important is that a Panamanian economic plan that can be successfully supported before international credit organizations has been discussed, thus preventing suggestions that it is an IMF imposition.

Ford said that within 10 days following this meeting President Endara and his cabinet will make a final decision on the plan, which will go into effect in January 1991.

A source who asked not to be identified said that some changes will be made to the economic plan and that bills will have to be drafted and sent to the Legislative Assembly for approval. He noted, however, that the executive branch is responsible for producing the plan.

The changes include modifications to the labor code, the creation of a law to regulate the utilization of returned areas, canal-related matters, fiscal incentives, reforms to the tax system, and reforms involving the agricultural and livestock sector.

President Endara said that the legislators presented very constructive recommendations on how to improve the plan and these recommendations, especially those made by the agricultural and livestock sector, will be taken into account by the Planning and Economic Policy Ministry.

The pivotal objective of the plan is the creation of jobs, he said, because we have to produce an economy that will provide jobs not only for the unemployed but also for recently graduated students.

Minister Ford said in this regard that a Special Social Fund will be created, and that, according to what Legislative Assembly Budget Commission Chairman Milton Henriquez has told him, a $50-million package that forms part of the U.S. aid program will be approved on Tuesday, and $20 million of this money will be used to create jobs.

When asked why it is taking so long for Panama to receive the U.S. aid, Vice President Ford said: "This has to do with bureaucracy. The package first had to be approved by the U.S. Congress, then it had to go to the Planning Ministry for apportionments and investments, then it went to the Council of Ministers, and now it is in the hands of the Legislative Assembly." These are the steps established by the Constitution and they must be followed, he added.

Meanwhile, Dr. Ricardo Arias Calderon said that the intention is to maintain the country's agricultural production and to keep it from being impaired by development plans because this is not what the government wants.

The legislators made suggestions that will be studied by the Planning and Economic Policy Ministry. It was said that just as it has been demanded that the industrial sector be efficient, the government must also find ways to increase its productivity and efficiency.

Arias Calderon alluded to the interest there is in talking with labor union sectors so that changes to the Labor Code lead to more job openings to benefit thousands of Panamanians who are now jobless.

He said that it was suggested that the development plan be complemented with a report on the tasks the country will have to tackle to fully administer the canal.

According to the government minister, the Cermeno meeting "has been a very important step in the coordination of the government effort" because it initiated the transition from the previous economy to a new one, one capable of creating better living conditions for the Panamanians.

President Endara Comments on Plan for Economy

PA1908195890 Panama City Radio KW Continente in Spanish 1200 GMT 19 Aug 90

[Text] Cabinet ministers, legislators, and economists met yesterday in Cermeno, in the Capira area, to review the draft of the strategic plan to develop the national economy. After keeping reporters waiting for almost five hours, President Guillermo Endara talked with the local and foreign press.

[Begin recording] [Endara] This is a very interesting meeting in the sense that we are reviewing the various aspects of the economic development plan. Each point is being explained in minute detail. I must point out that what we are discussing now is a plan that has been revised.

The government has done something unique in the history of our country because it has presented a plan for a broad discussion. No government had ever presented a plan and called it their own. This is our plan, and we want the Panamanian people and any interested groups to give their opinions, criticize it, make proposals, and tell us what to do to improve it. This has been a demonstration of democracy and a demonstration of the effectiveness of democracy because the plan has been greatly improved with the contribution of all groups concerned. The plan we are presenting now includes the contributions of the various groups, and the legislators are outlining the positions of the various circuits. In this sense, the meeting has been very fruitful, just like the meetings that have been held with other groups.

[Reporter] If the chief purpose is to liberalize the economy, what factors will contribute to that?

[Endara] Well, liberalizing the economy may be regarded as the chief goal, but it is not the only one. Our main goal is to have a system involving competition, which will be so effective when it comes to protecting consumers. However, we do not want shocks either. We do not want inconsistencies in the economy. We will not take action quickly, but gradually. We have had 21 years of a dictatorship under which we suffered too much. So we will not make radical changes overnight and cause suffering and pain for the Panamanians. We want changes to be gradual, causing as little trauma as possible.

[Reporter] Regarding the suggestions from the legislators, in what areas of the plan are substantial adjustments being made?

[Endara] The legislators from the productive areas of the countryside are the ones who have spoken the most. They have made their presence felt, and I believe that many of their positions have been taken into account. Naturally, the productive sectors per se have already outlined their problems so we have a pretty clear view in that regard.

[Reporter] How soon can the economic plan be ready?

[Endara] We will put the finishing touches on it over the next few days. I would not dare speculate on the date, but I think the executive branch, and more specifically the president of the Republic, will have to make a definitive decision and say this is the economic plan, and we are going ahead with it.

[Reporter] Will this happen soon, relatively speaking?

[Another reporter, interrupting] [Words indistinct]?

[Endara, interupting] Please talk, lady.

[Reporter] [Words indistinct], Telemundo. I would like to ask if have you discussed the topic of consolidating the alliance? Have you discussed this?

[Endara] Look, regretfully, the public has the impression that there is constant infighting in the alliance. That is false. It is a totally false impression. Proof of this is that during the meetings we have held during these past few days there have not been any significant political discussions. The political parties met on 16 August and we made decisions on a number of issues, including the call to special sessions of the Legislative Assembly, on which the parties concur. On 17 August, we held a meeting of the cabinet council which lasted at least six hours, and there was no [changes thought] the ministers there [word indistinct] there was nothing. There was no political problem.

We are meeting at this moment and you can see all of the cabinet ministers from [word indistinct] up, who belong different political parties, and all those legislators from the various political parties are here. Yet, this has been a most cordial meeting. We have discussed our points of view, but there has been no heated political debate. Therefore, you can be certain that all that is being heard and said about a major political tug-of-war is not true.

[Reporter] [Question indistinct]?

[Endara] No. That is a legislative problem and the executive branch will not interere with that. The executive branch will respect the independence of the legislative branch. I will not get involved in that.

[Reporter] Thus far, have the legislators made any recommendations to regulate [words indistinct]?

[Endara] Oh yes, many very constructive ones. As I said, the legislators from farming areas have shown their concern about the country's productive sector and have brought out very important points that will be considered.

[Reporter] A hike in fuel prices may affect your economic strategy. What will you do?

[Endara] Indeed. A hike in fuel prices would hurt us enormously because Panama is not an oil-producing country. However, we cannot allow an increase in fuel prices stop our economic development. We have to move forward. We cannot stop our development or cry about this. We have to make this country forge ahead even if fuel prices increase.

[Reporter] Mr. President. The Panamanian people have been waiting for the country's development and, above all, jobs.

[Endara] Yes, of course...

[Reporter, interrupting] How can we implement the preliminary draft now? [Word indistinct] legal or technical?

[Endara] Look. The whole program hinges on the creation of employment. We know that the chief problem is the creation of jobs. So, we have to look for an economic model to develop and provide jobs so that there will be jobs not only for the unemployed, but also for the young people who graduate each year. A total of some 40,000 graduate. This is a very large number of young people who who go out looking for jobs. Therefore, we have to be concerned not only about the people who are currently unemployed but also about those who will be looking for jobs immediately after...

[Reporter, interrupting] [Word indistincts] about a rumor that circulated yesterday in Miami that you had resigned...

[Endara] [Laughs] That is the answer.

'Mutual Legal Assistance' Treaty Criticized

PA1908170590 Panama City ACAN in Spanish 1456 GMT 18 Aug 90

[Report by Rolando Rodriguez]

[Text] Panama City, 18 Aug (ACAN-EFE)—A new U.S. attempt to weaken the Panamanian banking system's regulations on confidentiality in order to prevent the system from being used by drug traffickers has led to harsh warnings for the Endara government from bankers and businessmen as well as disagreements within the government in the past few days.

Eight business organizations have warned that the signing of a planned "mutual legal assistance" agreement with the United States will affect important economic sectors of the country, especially the international financial center that operates in the Panamanian capital with more than 100 banks from all the continents.

The agreement "would place Panama at a disadvantage with other countries, thus affecting the sector providing international services, which is the main pillar of the country's balance of payments," the businessmen said in a letter sent to Foreign Minister Julio Linares this week.

According to the businessmen, the agreement would especially harm the banking system, whose regulations on confidentiality have been the target of continuous attacks by U.S. authorities determined to end the "laundering" of "drug money."

The draft agreement has also been criticized by lawyers and international experts, including a former 1977 canal treaty negotiator Carlos Lopez Guevara, because the United States is conditioning the granting of aid to the signing of the agreement by Panama.

Foreign Minister Linares has admitted that the signing of the agreement is one of the conditions set by Washington for the disbursement of the $420 million to the Endara government, approved by the U.S. Congress three months ago.

Political sources have disclosed that the draft of the mutual legal assistance agreement, the complete text of which has not yet been made public, has also caused deep disagreements within the Endara government between officials who support it and those who oppose it.

Among other points, the letter from the businessmen to Linares says that the agreement establishes that "mutual legal assistance" will be provided regarding actions that are crimes in the United States [words indistinct].

The letter is signed by the Chamber of Commerce and Industries, the National Banking Association (ABN), the Panamanian Association of Business Executives, the Banking Law Institute, and the Business Law Association, among other organizations.

"We do not want the agreement to make it difficult for the foreign investor to use the banking center" or to have it cause "irreversible harm" to the system, ABN President Edgardo Lasso Valdes told ACAN-EFE.

Lasso Valdes admitted he is "concerned" about the consequences of the agreement because many clients who use the Panamanian financial center for "honest purposes" might be affected by the measure, without necessarily being involved in any crime.

"We want," he stressed, "any agreement that is signed to reflect that certain situations must be maintained within banking confidentiality and secrecy, allowing Panama to continue to have importance as a banking center."

The ABN president insisted that the agreement must exclude from its jurisdiction the actions which, although considered crimes in the United States, are not considered as such in Panama.

Although the exact amount of the funds currently deposited in the banking system is not known, official sources indicated that in recent months, hundreds of millions of dollars which had "fled" the country's political instability in the past three years, have returned to Panama.

More than $41 billion were deposited in Panama up to 1987, when the massive flight of funds from the banking center began. That figure was reduced by two thirds as the confrontation between the previous regime of Manuel Antonio Noriega and the U.S. Government increased.

The crisis forced the Panamanian Government to close the banks for two months in 1988 to prevent the failure of many of them because of the mass withdrawal of funds. The restrictions imposed on depositors were totally lifted just one month ago.

The Panamanian bankers now say that what has been recovered since the overthrow of Noriega by the 20 December U.S. invasion, which returned the confidence of many depositors, might be lost if the mutual legal assistance agreement is signed with the United States.

Arias Calderon Says PTJ Posts 'Temporary'

PA1708202190 Panama City EL SIGLO in Spanish 11 Aug 90 p 14

[Report by Aneldo Arosemena]

[Text] Speaking to Legislative Assembly members on 10 August, Ricardo Arias Calderon, vice president and government and justice minister, announced that all the current posts in the Judicial Technical Police [PTJ] are provisional.

"There are normal changes in the development of institutions. We must remember that it has already been decided that the PTJ will end up being an agency of the Attorney General's Office," Arias Calderon said, adding: "All the leadership appointments in the PTJ are provisional until the PTJ is transferred from the Government and Justice Ministry to the Attorney General's Office."

Calderon said the temporary nature of the PTJ posts will be maintained until the Legislative Assembly approves an organic law that came under discussion in the first period of sessions but was not approved.

"Once this transfer of the PTJ takes place, the new authority responsible for it, which will be the Attorney General's Office, will proceed to develop the institution, making the permanent appointments. Therefore, the current posts are provisional."

Referring to the purge within the Public Force, Arias Calderon said: "No other Latin American country in the past 25 years has undertaken such a serious purge." He added that 100 percent of the colonels who belonged to the disbanded Defense Forces have been purged from the Public Force.

Eighty-three percent of the lieutenant colonels, 40 percent of the majors, more than 30 percent of the captains, nearly 20 percent of the lieutenants, and nearly 10 percent of the second lieutenants have been purged.

The Government and Justice Commission of the Legislative Assembly is discussing a draft law presented by Christian Democratic legislator Jose A. Sossa to regulate the PTJ structure so that a lawyer will be its director.

Economy Ministry Appoints Negotiator for Debt

PA1708200990 Panama City CRITICA LIBRE in Spanish 15 Aug 90 p 21

[Text] The Planning and Economic Policy Ministry has appointed prominent Panamanian economist Arturo Tapia as the negotiator for the Panamanian foreign debt. He will deal with Panama's creditor banks.

Tapia will be responsible for coordinating everything in relation to the negotiating strategy that our country must begin with the international banks. For that purpose he will have technical assistance from economists Carlos Valencia and Ricardo Aleman, and from the economic team of the Planning and Economic Policy Ministry.

Tapia's broad experience makes this appointment deserving, since he has participated actively in most of the international money, exchange, bond, commodity, and stock markets to fulfill financial needs and to handle financial risks.

Tapia has been an investment banker for 13 consecutive years, 10 at the Bank of America and three in his business, Wall Street Securities. Wall Street Securities is a Panamanian company involved in investment banking in Latin America, from which Tapia has fulfilled banking and commercial institutions' financial needs in both international and Latin American markets; he has also participated actively in Latin American debt and capitalization project negotiations.

Miranda Reiterates Charges of Corruption

PA1808034890 Panama City EL SIGLO in Spanish 10 Aug 90 p 6

[Text] In testimony to the Second District Attorney's Office of the Third Judicial District in David, lawyer Rodrigo Miranda reasserted his public charges that there is true and real corruption in the administration of justice in Panama.

Miranda testified at the judicial office that the corruption involves the Government and Justice Ministry; the judicial branch, beginning with the Supreme Court; and the office of Attorney General Rogelio Cruz.

The lawyer said that he has accused [Vice President and Government and Justice Minister] Ricardo Arias Calderon of protecting and harboring murderous military personnel, drug traffickers, and thieves from the Noriega era, such as Colonel Roberto Armijo, Lieutenant Colonel Aristides Valdonedo, German Gonzalez Pitti, Lieutenant Colonel Armando Palacios Gondola, Leslie Loaiza, and others. He added that a poll has shown that 73 percent of Panamanians repudiate the soldiers protected by Arias, who stubbornly insists on continuing to pick up the pieces of Noriega's army to lay the groundwork for a new military apparatus to support him in future political campaigns.

Concerning the Supreme Court, Miranda said that when the invasion took place and the current government was installed, a shameful distribution of the political pie took place and President Guillermo Endara won control of the judicial branch and the Attorney General's Office. He knows about this because he is a member of one of the parties that comprise the Civic Democratic Opposition Alliance (ADOC).

The former special prosecutor in the Hugo Spadafora murder case said that there is a moral commitment to comply with the campaign promise of establishing a career judicial system whereby supreme court justices would be appointed based on a merit competition and other courts would be reorganized using the same procedure. Instead, the promise was not fulfilled and judges continue to be handpicked.

Reiterating his charge about corruption in the justice system, Miranda said that when the Supreme Court ruled on the habeas corpus writ filed against his dismissal, the court argued that there was no career judicial system and therefore officials from the Attorney General's Office, judges, and magistrates could be removed without cause. In a country where there is no judicial career, stability, or freedom of opinion, there can be only one thing—a corrupt justice, he said.

Miranda has accused Hernan Delgado, partner of President Endara, and the Movement of Unionized Lawyers of manipulating the decisions of the Supreme Court and the tribunals in two aspects—the criminal defense of wealthy big wheels and the unfreezing of the bank accounts of these criminals. Miranda also pointed out that many criminals are protected by influential lawyers. Among the criminals, he mentioned Tomas Gabriel Duque; Rodolfo Chiari, alias "Popito;" Marisol Reyes de Vasquez, former magistrate of the Supreme Court of Justice; Manuel Jose Calvo, former prosecutor; brothers Lorenzo Purcell and Alberto Purcell; Aristides Valdonedo; Francisco Rodriguez; legislators Balbina Perinan, Luis Gomez, Alberto Aleman Boyd, and Eias Castillo; as well as Otilio Miranda, who had to be arrested in the United States, and other white collar criminals.

In Panama, criminals enjoy impunity, while honest citizens are persecuted. This is nothing less than corruption in the administration of justice, Miranda maintained. In addition, he challenged the prosecutor questioning him to investigate, through the Directorate for the Recovery of State Property, the personal fortunes of President Guillermo Endara, Hernan Delgado, and Menalco Solis, the latter two being commercial partners and friends of the president.

Finally, the controversial lawyer from Chiriqui reaffirmed his own statement that Endara and Delgado manipulate the Supreme Court's decisions through Dr. Cesar Quintero, Delgado's cousin and court magistrate, who participated, according to Miranda, in the 1984 electoral fraud when he was the Electoral Tribunal president.

According to the former special prosecutor, Endara has six magistrates "aligned with him." They are: Cesar Quintero, who has no party and serves whoever is currently in power; Jose Manuel Faundes and Raul Trujillo, who belong to Endara's party; Arturo Hoyos, whom Miranda called a "pencil-pusher;" Carlo Lucas Lopez, a former business associate of Endara; and Rodrigo Molina whom he called Noriega's "hatchet-man magistrate," who is now reconciled with Endara's government.

Miranda also pointed out that the board of directors of the "Movement of Unionized Lawyers" group, headed by Hernan Delgado, is a group of "front men" who follow the president's orders and manipulate court rulings through the magistrates "aligned" with Endara.

Impunity and Power

To exemplify this manipulation and corruption of justice, Miranda mentioned events such as the farewell that a high-ranking figure of the current government gave Supreme Court Magistrate Marisol Reyes Vasquez when she left the country, the impunity and power displayed by the narco-dictatorship's former "hand-picked" presidents like Manuel Solis Palma; Demetrio Basilio Lakas, who was involved in the Van Dam bridge scandal; Ricardo de la Espriella, who was involved in the Social Security Fund scandal; and Aristides Royo, who is in Spain and has announced that he will soon return to Panama.

With regard to Manuel Solis Palma's statements as he came out of the District Attorney's Office, when he told the media "I have nothing to say because I am on vacation," Miranda said that it was a depressing spectacle and proof of the influence peddling in the country. The interesting part in all of this is that Solis Palma's lawyer is Bolivar Davalos, who replaced Attorney General Rogelio Cruz and who also is a member of the movement led by Hernan Delgado. Miranda, for his part, asked his interrogator: "Do you need more proof of influence peddling in public administration?"

Cruz Was Villalaz' Associate

According to the Chrirican attorney, another factor that is very questionable is that the current chief of the Attorney General's Office, Rogelio Cruz, was a partner in the law firm of Former Attorney General Carlos Villalaz. Villalaz is now under arrest for his participation in covering up the Spadafora murder and other crimes.

Miranda also mentioned, as indisputable proof of the generalized corruption of justice, public statements by Attorney General Cruz, "who used the sophism of presumed innocence being sufficient basis for preventive arrest not to exist, according to his own words. It is well-known that this is the only truly legal means of avoiding impunity and the attorney general insists that preventive detention is something of a curse. This belief justifies the leniency of the Attorney General's Office with criminals. Further evidence of the corruption is that I acccused Attorney General Cruz of having released two criminals involved in the Spadafora murder on the same day, 9 February, when the Supreme Court ruled that their preventive detention should take place, which makes the attorney general an accomplice," (a quote taken from the text of the declaration).

The controversial lawyer said Cruz "is very concerned by his [Miranda's] remarks," because Cruz is invoking the concept of presumption of innocence to his advantage. Cruz is also saying he is the only person in this country "who cannot be legally prosecuted" because no one can try him or investigate him, Miranda noted. The lawyer went on to say that the attorney general bases his conviction on a Supreme Court ruling, connected to a suit filed by Miranda against Cruz, which states that the attorney general could not be the subject of an investigation because there is no law on the matter. The Supreme Court termed this situation a "vaccuum," which in practice means that anyone holding that post cannot be liable to an investigation, "no matter how crooked he is," Miranda remarked.

The lawyer added that the current government kept Article 2314 of the Judicial Code. When Miranda was appointed special prosecutor, one of the things he had in mind was to suggest the repeal of that article. One of the reasons prompting Cruz to dismiss him was that Miranda told Cruz about this plan, according to the lawyer. Miranda felt this article was "planted" by the Noriega dictatorship in the judicial code as a bombshell that could explode at any moment.

The article in question reads as follows: "If there are many defendants, the trial will continue without the participation of an absent defendent, who will be tried in a separate process as soon as he is arrested. [no end quotation mark as published] If we consider the principle that we cannot condemn an accomplice, or others, unless the main defendant has been previously tried or is being tried simultaneously, we must admit that, according to that legal norm, all the persons connected to the murder of Hugo Spadafora who are being held in Panama accused of being accomplices or accessories after a crime must be released, since the main defendant, Manuel Antonio Noriega, will be tried in a separate process, whenever he is arrested. "And who knows when that will be," Miranda remarked. That is why "I say Noriega fired me," he remarked.

Miranda also commented that some foreign publications are levying serious accusations against prominent figures of this country. By way of example, he cited the EIR NEW magazine, [not further identified] which states that Supreme Court Magistrate Carlos Lucas Lopez, President Guillermo Endara, and Government and Justice Minister Ricardo Arias Calderon and his brother Jaime Arias Calderon served as directors or officials of banks that have laundered money from drug trafficking activities, chiefly from the Cali Cartel and drug trafficker Rodriguez Orejuela. Miranda noted that these reports began to appear in February, and yet the persons mentioned have kept what he termed a wrongful silence, since they must refute the accusations because of their high investiture.

The former special prosecutor also stated that U.S. reporter John Dinges wrote on page 416 of his book "Our Man in Panama," which is being sold in many bookstores in this country, that since 1976, Endara, in his law firm Delgado, Solis, Endara, and Associates, created many "ghost" companies to conduct unlawful businesses on behalf of General Manuel Contreras of the Chilean Secret Police. He was the same person who planned the attack on Osvaldo Letelier, former government minister of the Allende regime.

To conclude, Miranda strongly told those who say that he talks without proof that "only death will they keep me from denouncing those who have betrayed the people's civic struggle, Dr. Arnulfo Arias' ideals, and the blood and suffering of the victims of this era of terror we are still living."

Newspaper Receives Bomb Threat, PTJ Respond

PA2008000890 Panama City LA PRENSA in Spanish 18 Aug 90 p 14A

[Report by Nubia Aparicio S.]

[Text] The newspaper LA ESTRELLA DE PANAMA was the victim of a bomb hoax yesterday when a woman with a hoarse voice called by telephone to warn that an explosive device had been placed on the newspaper's premises.

Sayonara Caceres, a receptionist for the newspaper, explained that she answered a telephone call and heard a woman's voice saying: "There is a bomb in a bathroom, and it is going to explode soon."

Special forces from the PTJ [Technical Judicial Police] and the Fire Department were summoned, but after a thorough search of the building it was determined that the call was simply a hoax.

During the last several months there has been a wave of bomb threats throughout the country, but most particularly in Panama City, which has caused work to be paralyzed, especially in public offices.

Approximately three weeks ago a bomb went off under an automobile belonging to Manuel Icaza, former magistrate of the Electoral Tribunal, which was parked near the home of Comptroller General Ruben Dario Carles. The bomb damaged the car and shattered several windows of Carles' residence.

In addition, a grenade exploded at the home of Finance Minister Mario Galindo and damaged several windows.

Police Seize Arms Cache in Betania House

PA1708230390 Panama City EL PANAMA AMERICA in Spanish 16 Aug 90 p 24-B

[Text] During a 15 August search of a house in Betania Corregimiento, the Judicial Technical Police (PTJ) and the National Police intelligence services seized a large number of weapons belonging to the former Panama Defense Forces.

PTJ Deputy Director Renato Famiglietti said that two detained persons are under investigation and did not dismiss the possibility of there being other arrests within the next few hours.

Among the weapons seized are an AK-47, a 7.62-caliber MAG machine gun, an assault rifle, a .38-caliber revolver, and a large amount of ammunition for 9-mm and .45- and .38-caliber handguns.

The PTJ's deputy director explained that the search was carried out based on intelligence obtained by the PTJ and the security departments.

Famiglietti avoided revealing the names of the persons involved in the inquiries saying it could hinder the investigations.

This is the first arrest made by the PTJ against possible subversive elements following a number of attacks that have taken place in the country's capital over the past few weeks.

Argentina

Romero: Troops May Join Middle East Force

PY1708133590 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1205 GMT 17 Aug 90

[Text] Buenos Aires, 17 Aug (NA) — Defense Minister Humberto Romero has admitted the possibility that Argentina may join an eventual multinational force if the United Nations decides to send troops to the Persian Gulf, although he made it clear that the final decision will be adopted by President Carlos Menem.

The minister revealed that since the beginning of the conflict in the Middle East the U.S. State Department "has given us detailed reports, something that demonstrates the optimum level of relations between Argentina and the United States."

Romero returned yesterday from the United States, where he discussed matters pertaining to the participation of the Armed Forces in the fight against drug trafficking, the supply of military equipment, and to the process of handing over Defense Ministry enterprises to the private sector.

When he was asked about Argentina's participation in the multinational force in the case of an eventual UN resolution to send troops to the Persian Gulf, Romero indicated that the decision must be adopted by the chief of the executive branch, although he did say that "our country cannot stand to one side when there is a resolution that has the approval of the international community."

"From the time that Argentina adopted a clear alignment in the political, economic, and international spheres our country has gained the respect of the Northern Hemisphere," Romero stressed.

He added that since his stay in the United States, which coincided with Iraq's occupation of Kuwait, "we have been receiving detailed information of the development of the Middle East conflict."

Menem: Argentine Refugees 'Well Protected'

PY1808143290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2133 GMT 17 Aug 90

[Text] Buenos Aires, 17 Aug (NA)—President Carlos Menem today stressed that the Argentine refugees at the Spanish Embassy in Kuwait "are well protected" and said that the Argentine Embassy in Saudi Arabia "is taking all the necessary steps to solve this problem."

Menem said: "I don't have to reiterate the Argentine position toward the Iraqi aggression against Kuwait." He added that "before the release of the United Nations resolution, we condemned the attitude" of the Iraqi Government.

He stressed that his "major concern" now is about "the situation of the Argentine refugees in the Spanish Embassy in Kuwait."

In this regard he said that "our ambassador in Saudi Arabia is taking all the necessary steps, within our ability, to rapidly solve this problem."

He added: "Things are not yet clear in Kuwait, but I believe that we will gradually solve this problem."

In statements to Radio Rivadavia, Menem said: "I would like the relatives of those who are in Kuwait to remain calm, because the people who are there (at the Spanish Embassy) are well protected, well sheltered, and right now there are no problems whatsoever."

He emphasized that "it is our obligation to protect our fellow countrymen" and he reiterated that the Argentine refugees at the Spanish Embassy in Kuwait "are well."

Source Denies Report on Troop Readiness for Gulf

PY1808030090 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2300 GMT 17 Aug 90

[Text] Buenos Aires, 17 Aug (NA)—A reliable Defense Ministry source reported today that the Argentine Armed Forces have not received any order to ready units that will reportedly be sent to the Persian Gulf area.

This explanation was made in the wake of radio reports in this capital that an order had been given to prepare at least two ships and a considerable number of troops to join the international force heading for Saudi Arabia.

The government source added that "there can be no readiness when there is no formal request by the United Nations, and this is the only case in which Argentina would agree to send troops to that zone."

The radio reports that insisted on the imminent dispatch of troops also referred to the deployment of two Meko type destroyers, two frigates, and approximately 100 troops.

Returning from the United States yesterday, Defense Minister Humberto Romero denied that Argentina was sending troops to the Persian Gulf, although he admitted that it would do so only if the United Nations requested a multinational peace force.

Navy Ready To Send Ships

PY1808025090 Buenos Aires DYN in Spanish 2332 GMT 17 Aug 90

[Excerpts] Buenos Aires, 17 Aug (DYN)—A reliable Navy official confirmed today that the Argentine Navy has taken the necessary measures to be able to comply with a possible order from President Carlos Menem to send Argentine ships to the conflictive Persian Gulf region.

The Army and the Air Force have taken similar measures, but the deployment of ships seems to be the most likely option in view of the characteristics of the region and the fact that the theater of operations could be the sea.

President Menem has time and again stated that Argentina will send "professional troops" to the Persian Gulf if the UN Security Council decides to send a peacekeeping force to the region. [passage omitted]

The Navy source noted that, if the president issues the order, "immediate action will be taken" by sending three French-made frigates—which are awaiting orders at the Puerto Belgrano Naval Base—to the Persian Gulf.

The missile frigates Drummond, Granville, and Guerrico each carry 79 men and are equipped with "Exocet" missile-launching systems, torpedoes, and a sophisticated radar system for antisubmarine, antiair, or surface warfare. [passage omitted]

The Army and the Air Force would be primarily involved in providing logistical support, using C-130 Hercules aircraft to transport supplies and troops and helicopters for patrol operations. [passage omitted]

The Argentine ships will undertake patrol operations and support the ships that are now blockading the region to enforce the embargo imposed on Iraq following its invasion of Kuwait.

Cavallo on Troops, Citizens in Persian Gulf

PY1808143890 Buenos Aires TELAM in Spanish 1321 GMT 18 Aug 90

[Text] Buenos Aires, 18 Aug (TELAM)—Foreign Minister Domingo Cavallo today said that Argentina will only send troops to the conflicting Persian Gulf area "if the United Nations ordered the creation of a peacekeeping force to reestablish peace," and "within Argentina's possibilities."

"As long as any of these conditions do not exist, there is no plan to send Argentine troops, ships, or anything else to the conflict zone," Cavallo said in Santiago de Chile.

"Within Argentina's possibilities and always thinking of professional troops prepared for any required action, Argentina may participate only if the UN Security Council ordered the creation of a multinational peacekeeping force to reestablish peace, as foreseen in the UN Charter," Cavallo explained.

Since the beginning of the invasion of Kuwait by Iraq, several countries headed by the United States have sent troops, war ships, and airplanes to the zone in face of a possible invasion of Saudi Arabia by Saddam Husayn's regime. Argentina condemned the Iraqi invasion and requested the withdrawal of troops from Kuwait and the reestablishment of peace in the region. Argentine citizens who so far have not been able to leave Kuwait, still remain in the invaded country.

Cavallo confirmed to Radio Mitre that the exiled Emir of Kuwait Jabir al-Ahmad al-Jabir al-Sabah has asked Argentina as well as all the other UN member countries, to send troops to the zone. "We think that the UN Security Council should make a declaration," Cavallo said.

The Argentine Government "is making all the efforts it can" to recover the Argentine citizens who are in the conflict area, the minister added.

"In coordination with other Latin American countries," the Argentine Government is working "to obtain the withdrawal of Argentine and other Latin American citizens who are in Iraq or Kuwait," the minister said.

"We hope that Iraq will respect the international norms that regulate this subject and we insist in allowing our fellow countrymen to leave the country," Cavallo stated.

He added that the Argentine ambassador in Saudi Arabia is carrying out negotiations to let the Argentines leave the zone. "So far we have learned that the Argentines in Kuwait are alright and in contact with the Spanish Embassy there," he said.

"We are adopting all measures to preserve the lives of our fellow country men, but I cannot give you any details," Cavallo said in reply to a question.

When asked if the Argentine Government is preparing an economic strategy to exploit the Persian Gulf situation to hastily solve the Argentine oil contract situation, Cavallo admitted that the government is working on this "although this does not imply that we are preparing different plans from the ones we have been implementing, since Argentine plans are rather centered on ratifying and intensifying the rhythm with which foreign investment in the oil fields is being made."

Iraqi Soldiers Shoot at Citizen; Talks Continue

PY1908231490 Buenos Aires BUENOS AIRES HERALD in English 19 Aug 90 pp 1, 4

[Excerpts] [NA-DYN]—The Foreign Ministry was yesterday engaged in hectic diplomatic negotiations to obtain the release of the 14 and 17 Argentines held hostage in Kuwait and Iraq, while President Carlos Menem confirmed their condition is "fair."

The President, trying to calm the relatives of the Argentines currently in Kuwait, stressed that nationals at the Spanish Embassy "were well protected and for the time being there are no problems whatsoever."

In statements contradicting Menem, the Foreign Ministry said there were no nationals at the Spanish Embassy in Kuwait, but that they were in close contact with this diplomatic delegation simply because of language.

Foreign Minister Domingo Cavallo, in Santiago de Chile yesterday, said that Argentina, Brazil, Mexico and Chile decided to request the Organization of American States (OAS) to press the Iraqi government to lift restrictions on the evacuation of foreigners and reiterated that Argentina will send troops to Kuwait only if the United Nations Security Council decides to organize a multinational force to reestablish peace in the region.

Meanwhile, Luis Alcon Palus, head of the Foreign Ministry's North Africa and Middle East Department, confirmed a report by British BBC television announcing that 27-year-old Argentine photographer Jorge Ferrari had been shot by Iraqi soldiers while driving his car in Kuwait, but was apparently not wounded in the attack.

At the time Ferrari was shot, he was accompanied by his British wife Rebecca Queen and, according to statements given by a relative living in Argentina, there was no information concerning the couple's present whereabouts. [passage omitted]

Alcon Palus announced the government had demanded the Iraqi Foreign Minister "explain the incident, to protect the Argentine's life and to free him immediately." [sentence as published]

In the meantime, the Argentine Navy was getting ready to respond to possible orders by the President to head for the Middle East but Defense Ministry sources said they had no knowledge of the request announced by Cavallo and added that in case Argentine troops are sent to the Persian Gulf, only professional soldiers would go.

Meanwhile, Democratic Centre Union (UCeDe) deputy Adelina de Viola agreed with Menem's pledge to send troops to the Middle East "if the UN asks" because "we must be on the free world's side."

Other politicians, however, categorically opposed the move—Oscar Alende (Intransigent), Simon Lazara (United Socialist), German Abdala and Jose Ramos (Justicialist-Group of Eight) and Luiz Zamora (Movement towards Socialism), yesterday said that only Congress is entitled to order troop deployment outside the Argentine territory.

Menem Denies Renegotiation of Oil Field Leases

PY1708203390 Buenos Aires BUENOS AIRES HERALD in English 17 Aug 90, p 1

[Text] (DYN-NA)—In an abrupt about-turn, President Carlos Menem yesterday flatly denied that the 28 secondary oil field leases adjudicated in July will be renegotiated and assured that "Argentina is prepared to respect its commitments."

He thus swept aside Public Works Minister Roberto Dromi's announcement on Tuesday that soaring international crude oil prices left the government no option but to demand a higher price than the 252 million dollars already agreed.

Dromi's statement, Menem said, was just "another opinion," and did not reflect the government's position.

In a further bid to allay mounting fears about the government's intentions Menem guaranteed that he would sign the decrees confirming the adjudication of the leases within the next few days.

He added: "If we tried to renegotiate every time there was a fluctuation (in oil prices), we'd go mad."

But private petroleum companies continued to show uncertainty over the government's intentions and publicly expressed their "immense preoccupation" at the possible renegotiation of the leases.

The Chamber of Argentine Petroleum Companies and the Chamber of the Petroleum Industry sent a joint telegram to Menem in which they refused to renegotiate the leases and demanded that the government "respect and maintain the conditions" already determined.

Any change in the existing agreements, they warned, could "undermine the credibility of the government's whole privatization programme."

The text also stated that the Menem administration was sending "a contradictory message to local and international investors about the country's reliability as a target for investment."

President of the Cuyo petrochemical company Oscar Vicente also lashed out at the government for jeopardizing Argentina's international credibility and said that "we shouldn't play games like this."

Members of the two Petroleum Chambers privately critized specific members of the government including Dromi for oposing President Menem's views and blamed them for "endangering the petroleum deregulation plan."

Outlines Petroleum Policy

PY1708143090 Buenos Aires TELAM in Spanish 1151 GMT 17 Aug 90

[Excerpt] Buenos Aires, 17 Aug (TELAM)—President Carlos Menem has asserted that the government will comply with "all stages of the petroleum policy," especially with adjudication of the secondary areas. "The legal and administrative paperwork has already been started, and it will not be stopped."

The chief of state said: "We will comply with our commitments, and we will prove our seriousness with our actions." He reiterated: "We will follow the current rules of the game in the petroleum market, to which we wish to belong in a stable form."

Menem supported this policy saying: "Argentina cannot be isolated from the world market again without running a serious risk of worsening the distortions and imbalances that a similar attitude caused in the past."

The chief of state said this last night during a meeting organized by the Petroleum Club at the Plaza Hotel to celebrate the 30th anniversary of the organization, which has 570 members.

Menem outlined what has been done in Argentina in this field and stated: "It is an unfulfilled dream." He indicated that he has decided to promote a "total change" and a deregulation of the sector, and he described the conditions for the new petroleum market that "will be fully functioning next year." [passage omitted]

Resignation of State Company Trustees Announced

PY1808151290 Buenos Aires DYN in Spanish 0050 GMT 18 Aug 90

[Text] Buenos Aires, 17 Aug (DYN)—Public Works and Services Minister Roberto Dromi announced this evening the resignation of the government-appointed trustees of Argentine Railways, YPF [Government Oil Deposits], Somisa [Argentine Iron and Steel Joint Association], the State Gas Corporation, SEGBA [Greater Buenos Aires Electrical Services], and the General Administration of Ports. Dromi announced this news after a meeting he held with Economy Minister Antonio Erman Gonzalez and other members of the national cabinet and Justicialist Party congressmen.

Security, Armed Forces Obtain Wage Increase

PY1808174890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1520 GMT 18 Aug 90

[Text] Buenos Aires, 18 Aug (NA)—The members of the Armed Forces, National Maritime Prefecture, and National Border Police obtained a 16 percent wage increase as of July, in keeping with a policy which seeks to gradually make the military salaries equivalent to those of the legislative and judicial branch members, military sources revealed.

This increase, which will be paid to the security and Armed Forces members in a supplementary pay roll, will be applied to the wage scale issued by the Defense Ministry a month ago when a 20 percent wage increase was granted.

With this last increase, the salary of a lieutenant general is 5.8 million, a division general 5.7 million, a brigade general 5.4 million, and a colonel 4.7 million [monetary unit not specified].

Creditors File Suit for Fishing Rights Payments

PY1808211490 Madrid EFE in Spanish 0433 GMT 18 Aug 90

[Text] Buenos Aires, 17 Aug (EFE)—It was reported here today that Argentina's creditors have filed a lawsuit to force the Argentine Government to pay its debts through the collection of fishing rights worth $6.4 billion, which were allegedly evaded by Argentine and Soviet fishing companies operating in the South Atlantic.

According to an article published in the newspaper EL CRONISTA, the lawsuit was filed a month ago in a Buenos Aires court against the Soviet companies Sovrybflot and Sovhispan, which is associated with Spanish capital, and against the Argentine companies Bajamar, Argenpez, and the South Argentina Fishing Company [Pesquera Argentina del Sur].

Lawyers for the creditors, which include a private Uruguayan financial institution, said that these companies have not paid fishing rights for recent operations, as established in a 1986 agreement signed between Argentina and the USSR.

"Sovrybflot," the largest fishing company in the world, has formed partnerships—through joint companies—with local Argentine companies, in keeping with the terms of Soviet-Argentine treaties.

According to the plaintiff, these companies owe the Argentine Government an amount worth 15 percent of the 180,000 annual tons of fish allowed by the fishing permits granted through the agreements.

The creditors assert that this fishing limit has not been respected and that the fishing companies overexploited the resources of the South Atlantic, according to information provided by associations of local fishing companies that had opposed the signing of the agreements with the USSR.

The lawsuit points out that the alleged nonpayment of fishing rights harms the creditors, given the Argentine state's insolvency in honoring its debts. The creditors assumed the role of the Argentine state to demand the payment of fishing rights with the purpose of using that money exclusively to pay part of the Argentine foreign debt.

According to lawyers working on the case, Argentine laws favor the creditors, who informed the Argentine Government that if they win the case they expect to collect their money from the alleged evasion of payments to the National Treasury. The lawyers have not revealed the names of the creditors whom they represent, but they said that other private creditors may join the current plaintiffs to demand the same rights to collect their bills.

Argentina, which according to different sources has a foreign debt ranging from $59 to $64 billion, has an accumulated overdue interest debt amounting to about

$6 billion. Out of the total Argentine foreign debt, the Argentine Government owes $40 billion to international private banks.

After not making interest payments for 15 months, in June 1990 Argentina resumed negotiations with its private creditors, to whom it is paying $40 million per month to reduce its overdue debt. Argentine officials have said that that this amount is the maximum the country can pay for the time being to meet the overdue interest payments on its foreign debt.

Resignations Follow 'Disorderly' Debate in PCA

PY1908230090 Buenos Aires DYN in Spanish 0118 GMT 19 Aug 90

[Text] Buenos Aires, 18 Aug (DYN)—Tonight the Communist Party of Argentina [PCA] Central Committee approved a "reorganization of the Frentist Movement [Frentismo]" in a disorderly session full of insults and threats of expulsion, which led to the resignations of Francisco Alvarez and Enrique Dratman, members of the party's Political Commission.

The national and international political situation was being evaluated during the second day of the meeting when Alvarez and Dratman, who lead the "dissident" faction of the party, submitted their "irrevocable" resignations. Their resignations resulted in 23 of the Central Committee's 100 members leaving the session.

The disagreement started with the position taken by the Central Committee, which decided to debate Frentist policy instead of waiting for the 17th PCA Congress scheduled for next November.

The leaders who left the session, which also included Eduardo Sigal and Ernesto Salgado, reported the existence of a "fraud" because the rest of the leftist forces were not consulted on this issue.

However, the official sector, headed by PCA Secretary General Patricio Echegaray and PCA President Athos Fava, continued the session with the 77 remaining Central Committee members.

At the end of the session the PCA released a press communique saying that the victory of the no-vote in the recent plebiscite in Buenos Aires Province shows that "popular resistance to President Menem's plans continues and grows."

The Central Committee also approved a plan within the framework of the "struggle against privatizations and unemployment" aimed at "strengthening unity among leftist forces at the highest level."

The PCA also repudiated the action "headed by the United States in the Persian Gulf" and criticized "the Menem administration's support for that imperial power."

Bolivia

Militarization of Antidrug Struggle Discussed

PY1708221190 La Paz PRESENCIA in Spanish 11 Aug 90 p 1

[Text] Vice President Luis Ossio Sanjines, Defense Minister Hector Ormachea, and Bolivian Ambassador to the United States Jorge Crespo have agreed that Bolivia will not accept aid from the United States if that country establishes as a condition the involvement of the Armed Forces in the antidrug struggle.

They thus rejected a statement by U.S. Ambassador to Bolivia Robert Gelbard, who emphasized this condition. The use of the Armed Forces has been rejected by several political sectors. Gelbard was summoned at the Foreign Ministry to explain his position, which contradicts an official statement made by Vice President Dan Quayle on the matter.

No details of the issue discussed at the Foreign Ministry were released. In response to a journalist's question on his contradictory position, Gelbard said: "I do not want to say anything on this subject for the time being."

Recalling the clear position expressed by Quayle during his 15-hour visit to Bolivia, Ossio said: "The United States will not militarize the antidrug struggle, and will respect the methods used by each country to fight this scourge."

Ossio said that Gelbard's statement that the $32.2-million aid to Bolivia is conditioned "to the militarization of the antidrug struggle," and this "could have been misinterpreted taking into account that Vice President Quayle had already voiced the U.S. official position."

Defense Minister Ormachea said: "I do not want to believe that the U.S. Ambassador could have made such an statement."

Ormachea said that Bolivia has outlined a definite policy in the antidrug struggle. "We do not need, and we will not admit, conditions" on the fight against drug trafficking, he added. Crespo explained that the position of the U.S. was announced by Vice President Quayle.

Defense Minister Rejects Conditions

PY1708230990 La Paz PRESENCIA in Spanish 11 Aug 90 p 7

[Excerpts] Defense Minister Hector Ormachea said: "Bolivians know perfectly that they are compelled to fight against drug trafficking. We do not need, and we will not accept, conditions."

Ormachea also reasserted that it is up to the government to make decisions on whether to include the Army in the antidrug struggle.

He made this remark in response to a statement by U.S. Ambassador to Bolivia Robert Gelbard. On 9 August

Gelbard said that the delivery of $33.2-million worth of U.S. equipment to the Bolivian military is conditioned on that decision. [passage omitted]

Ormachea said: "The text of Annex 3, the document concerning the U.S. aid, does not speak of conditions." He added: "the only condition is that Bolivia wants to participate in the antidrug struggle without pressure from any country."

He explained that the U.S. and Bolivian presidents signed Annex 3 in which they agreed on military assistance. He said that the equipment will "inevitably" be sent to the country despite the fact that the army will not participate in the antidrug struggle.

"We have one very important fact: Bolivians are convinced that we must fight this serious scourge. It is our duty. Nobody has to force us. We will do it because it is our duty," Ormachea said. [passage omitted]

Official Urges Control of Precursor Chemicals

PY1808035090 La Paz PRESENCIA in Spanish 13 Aug 90 p 1

[Text] The struggle against drug trafficking in Bolivia and other Andean countries "will be incomplete if measures are not adopted against chemical precursors" used in cocaine processing. This proposal was submitted to Vice President Quayle during his visit to La Paz last week, and Quayle said that this is "absolutely true." He also agreed with a Bolivian request to hold an international meeting on this matter in January.

Social Defense Under Secretary Gonzalo Torrico said: "Despite the progress in solving the drug problem and the efforts made in the area of interdiction, it has been proved that the problem does not only affect producing and consuming countries. Another problem is the production of chemicals used for drug processing."

Torrico reported that at a meeting with Quayle he briefed him on Bolivia's problems in controlling the illegal trade of precursors and proposed that producing countries (especially the United States, Germany, the PRC, Brazil, Chile, and Argentina) "implement mechanisms to control those products, which are so harmful for mankind."

According to Torrico, the U.S. vice president said that "this was an original and objective interpretation."

The meeting held at the Foreign Ministry during the reception for Quayle by Vice President Luis Ossio aided in reaching an agreement on the need to hold an international meeting in La Paz in January. This meeting will be aimed at "making chemical producers aware that they are involved in an activity that the entire world is trying to eradicate. The chemical producers should be included in this struggle," Torrico said.

He added: "This is not just a matter of drug trafficking; the fact is that these products are causing major damage to the environment. According to reliable sources, these products are creating an ecological imbalance that can be fatal to mankind."

A commission has been created to arrange this international meeting. The United States, Great Britain, the FRG, France, Argentina, Peru, and Brazil have already promised to attend the meeting.

Official Says Zarate-Willka Group 'Inactive'

PY1808235290 La Paz PRESENCIA in Spanish 12 Aug 90 p 5

[Excerpts] Two years after its first public action in Bolivia, Interior Under Secretary Raul Loayza yesterday described the Zarate-Willka rebel group as "immature and inactive."

Loayza, who noted with relief that the government's investigations into the "Zarate-Willka" group indicate that this organization is now "virtually inactive," recalled that two years ago, on 8 August 1988, a light explosive charge was planted in an attack on the automobile in which U.S. Secretary of State George Shultz was traveling on the La Paz Highway. [passage omitted]

"Now, two years later, we can say that there is no room in this democracy for the development of this terrorist organization," Loayza said in a sure tone of voice. [passage omitted]

Brazil

Government To Send Food, Medicine to Iraq

PY1808001290 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Aug 90 p 10

[Report by Aluizio Maranhao]

[Text] Rio de Janeiro—Some businessmen were ready to send exports to Iraq when the United Nations decreed an embargo against that country. On Tuesday [14 August] Itamaraty informed these businessmen that the Brazilian Government will lift the embargo on food and medicine for Iraq because it considers these items to be used for "humanitarian purposes."

Thus, among other items, 300,000 tons of sugar will be exported to Iraq as part of a contract stipulating that some of this sale will be paid for in oil.

The government's decision has eased tension among exporters, who are now waiting for Iraq to issue guaranteed letters of credit through leading international banks and to get insurance on the cargo before resuming shipments. Because of the military blockade against Iraqi ports in the Persian Gulf, Brazilian exports will have to go to Iraq through Jordan.

The notice given to exporting companies is in response to an appeal made last week by Iraqi Commercial

Attache Tarik al-Jibouri [name as published] to Itamaraty to classify these items as intended for "humanitarian purposes," therefore lifting the embargo. In addition to sugar, exports of chicken and processed meat will also be allowed.

Itamaraty Denies Report of Food Aid

PY1708163790 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 17 Aug 90

[Text] Itamaraty has denied that Brazil will export sugar and meat to Iraq. The Foreign Ministry is worried over the delayed withdrawal of Brazilian citizens from Kuwait.

Some Brazilian women married to Kuwaiti men decided not to leave Kuwait at the last minute. This has somewhat delayed the withdrawal of the 61 Brazilian citizens who still remain in Kuwait. In principle, the Iraqi Government continues to cooperat in the withdrawal of all Brazilians from Kuwait. The evacuation process is being commanded by the Brazilian charge d'affaires.

Itamaraty spokesman Joao Vicente Pimentel has denied that the Iraqi Government is blackmailing the Brazilian Government by conditioning the release of the Brazilian citizens to the export of Brazilian food to Iraq. UN Resolution No. 661, which forbids countries from carrying out import and export operations with Iraq, is currently a law in Brazil.

[Begin Pimentel recording] UN resolution No. 661 also allows a possibility for exports, but only in case of humanitarian emergency. In such a case, which has yet not taken place, export of food and medicine could be allowed. [end recording]

Itamaraty Says Citizens in Iraq Not Hostages

PY1708235190 Brasilia Domestic Service in Portuguese 2200 GMT 17 Aug 90

[Text] Itamaraty does not consider the 400 Brazilians being held in Iraq as hostages or prisoners. Foreign Minister Francisco Rezek today stated that the Iraqi position has fluctuated over the past few days and that there are contradictory reports. According to the minister, the term hostage is not applicable to the situation of these Brazilian citizens.

[Begin Rezek recording] These Brazilian citizens cannot be considered as hostages or prisoners but they must have the necessary guarantees to live freely with the opportunity to withdraw from a tense situation, from an area where military tension really exists. For this reason we are exerting continuous pressure on the Iraqi Government. [end recording]

The foreign minister added that according to the latest news, a considerable number of visas for the departure of Brazilians will reportedly be granted tomorrow.

The Brazilians being held in Iraq are well, according to Itamaraty spokesman Jose Vicente Pimentel, who denied that the country has received an Iraqi proposal to exchange those Brazilians for food.

Pimentel today denied any Iraqi proposal to release those Brazilians in exchange for food. He said that the Brazilians are well but that there is psychological pressure on them.

[Begin Pimentel recording] The Brazilians who are in Iraq are in a rather privileged situation because they are in the construction camp of the Mendes Junior Construction Company. They are in a rather comfortable situation. There is no panic, and they are not experiencing any food shortage. The Brazilians are well. They are naturally enduring psychological pressure which is continuously increasing with time. For this very reason we are exerting pressure on the Iraqi Government to grant them the necessary visas to leave that region. [end recording]

The Itamaraty spokesman also denied reports that the commercial attache of the Iraqi embassy in Brasilia had reportedly tried to meet with Brazilian Government officials to negotiate the purchase of food. According to the UN resolution, this is the only product that can cause the lifting of the commercial blockade with Iraq.

20 Brazilians Working on Iraqi Military Projects

PY1808162090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Aug 90 p 10

[Report by Roberto Godoy]

[Text] The production complex of the Iraqi Military Industrialization Ministry includes dozens of facilities that are spread throughout that country. At least 20 Brazilians are working in one of those facilities 120 km from Baghdad. They were hired to work in support programs, such as an auxiliary booster for increasing the range of the Soviet-made Scud-C missiles.

The Brazilian specialists—a few engineers and several technicians—are also involved in a program to build five AWACS type planes for surveillance, advanced warning, and control. The first plane of this type made its inaugural flight in July 1989.

The Brazilian experts are involved in connecting airborne systems—that is, several computers, sensors, and trackers that are linked to the main radar under the antenna mounted on the fuselage. The team was not organized in Brazil for the specific purpose of working on this strategic Iraqi project. Several of them worked in Iraq for companies that supplied equipment to Iraq in the 1970's. When their contracts expired, they were invited to stay in Iraq.

More recently, as a result of the crisis that affected the materiel industry, other professionals who were dismissed by their respective companies tried to obtain jobs where their specific skills were needed.

The most significant project in which Brazilian personnel are involved is the construction of a Sidewinder/AAM type light missile for air combat. Shortly before the Kuwait invasion, western intelligence services believed that the engineering prototypes were ready for the preliminary engine tests.

The names of only three of these specialists are known: Ronaldo Bataglin, an engineer; and Luis Carlos Mendes (a computer expert) and Antonio do Prado (an expert in electronics).

Economic Sanctions Against Iraq To Be Followed

PY1808134690 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 18 Aug 90

[Text] Brazil will not violate the blockade imposed on Iraq by the UN Security Council. Itamaraty considers the situation of the Brazilian citizens in Kuwait as unusual and irregular and a consequence of the lack of a clear position by the Baghdad Government. Brazil will nonetheless maintain psychological pressure, and it will use its persuasive capacity to solve the problem, providing that Iraq is understanding. Brazil will not violate the UN Security Council resolution of imposing economic sanctions on Iraq to solve its problem. This was stated by Itamaraty spokesman Jose Vicente Pimentel.

[Begin Pimentel recording] We do not think that violating the blockade should somehow favor the Brazilians there. Anyway, the situation is quite clear. Brazil is a faithful member of the United Nations. We respect resolution No. 661 of the UN Security Council. [end recording]

The Itamaraty spokesman has rejected the theory that Iraq is blackmailing Brazil. He reported that there is enough food for all the Brazilians who are in the Mendes Junior camp, and he did not want talk about any time period for obtaining visas for the Brazilian citizens to leave Iraq.

Iraqi Embassy Denies Measures Against Foreigners

PY1808180390 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 18 Aug 90

[Text] (Navil Nasser), spokesman for the Iraqi Embassy in Brasilia, a short time ago denied that the Iraqi Government will deny food to the children of the foreigners who, according to him, are guests in Iraq and Kuwait.

Withdrawal of Citizens Announced

PY1808181690 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 18 Aug 90

[Text] Iraq may allow Brazilian citizens to leave the area of the conflict. Of the 61 who are in Kuwait, 39 want to leave. They are expected to leave tomorrow.

The Brazilian Government does not ignore that the Iraqi Government has hardened its position toward the U.S. citizens. However, unlike the U.S. citizens, Brazilians are not hostages. These comments were made today by Itamaraty spokesman Jose Vicente Pimentel.

Pimentel preferred to say that the difficulties that Brazilians are having in leaving the country are of a diplomatic nature. He added that the Brazilian Embassy is removing the Brazilians from the area of conflict in Kuwait. Of the 61 Brazilians who are there, 39 who said that they would like to leave can begin leaving as of tomorrow—14 men, 10 women, and 15 children.

[Begin Pimentel recording] There are traffic problems and there are also the problems posed by the climate of the desert. If there is any problem, we could always take the Brazilian citizens to Baghdad or to the Mendes Junior Company camp. [end recording]

39 Citizens Leave Kuwait

PY1908212490 Buenos Aires DYN in Spanish 2008 GMT 19 Aug 90

[Text] Brasilia, 19 Aug (AFP)—The Brazilian Foreign Ministry announced today that 39 of the 61 Brazilians stranded in Kuwait were taken to Iraq today. They have visas to leave on 23 August.

Foreign Ministry Spokesman Jose Vicente Pimentel said the group, which consisted of 14 men, 10 women, and 15 children, left Kuwait for Iraq at 1500 GMT. They were taken to Basora [placename as received] near the Iraqi border.

Pimentel added that since 18 August, Iraq has granted about 100 visas to Brazilians in Kuwait and Iraq.

The majority of the Brazilians in Kuwait and Iraq are employees of the Brazilian Mendes Junior public works company.

Pimentel also explained that "the remaining Brazilians are employees of the Brazilian Embassy in Baghdad" and that the diplomats will remain in the capital.

Pimentel said that Brazilians who have visas to leave Iraq will probably leave on 23 August through Jordan.

President Signs National Privatization Program

PY1708150390 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Aug 90

[Text] President Fernando Collor de Mello has signed regulations for the National Privatization Program. In a first stage, 10 government-owned companies will be privatized: Tubarao Steel Company, Piratini Special Steel Alloys Company, Cosinor [?North Steel Company], Usiminas [Minas Gerais Iron and Steel Mills, Inc], USIMEC [expansion unknown], MAFERSA [expansion unknown], COPERSUL [expansion unknown], Catarinense Petrochemical Industry, Goiais Fertil, and Caraiba Mining Company. In addition, the government will negotiate the participation of Petroquisa [PETROBRAS Chemical Corporation] as shareholder in the Camacari Petrochemical Complex, the Northeast Petrochemical Company, and the Triunfo Complex.

The government expects to raise the equivalent of $10 billion with the privatization of those companies.

Secret Weapons Shipment Made to Guinea Bissau

PY1808230490 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Aug 90 p 8

[Report by Roberto Godoy]

[Text] A Boeing-707 cargo plane chartered by the state-owned Imbel (War Materiel Industry) enterprise will take off today from Guarulhos International Airport carrying a secret cargo: about 30 tons of Brazilian-made light weapons, consigned in principle to the government of Guinea Bissau in West Africa.

This is the first of a series of three shipments scheduled for the coming weeks, apparently to meet an urgent order. Up until 14 August Imbel was still consulting air companies, offering a contract.

The chartering terms—at a cost of $300,000—are top secret. The crew has been instructed to remain aboard the intercontinental jet, with a flight plan scheduled up to the city of Bissau with a stopover in Recife. They must await orders to load and depart, and the flight usually takes 10 hours. The contents of the containers will only be revealed at the time of departure.

Meanwhile, there are indications that the official corporation reportedly consolidated Imbel-made materiel and materiel manufactured by third parties, primarily with various types of grenades. Imbel, which is controlled by the Army Ministry, manufactures explosives such as tropil (tnt), hexogene (rdx), and nitro-pentas (petn) used in aviation bombs, fragmentation warheads, and high-power plastic fuses. Imbel also manufactures various types of gunpowder, projectile propellants, plastex, firing accessories, and ammunition components in general. Imbel's weapons line includes the 7.62-mm caliber FAL rifle (including models for infantrymen and paratroopers), the nine-mm M973 pistol, and a nine-mm submachine gun. These catalog items can be tailored to meet certain user requirements. Imbel also accepts orders on special projects to meet individual contracts.

As an export organization, Imbel acts as a middleman in the purchase of products from other suppliers. This would be how negotiations are conducted on M-3 grenades (with an eight-meter killing radius) or the M2-CEV antitank rocket, with a range of 400 meters and enough firepower to penetrate 50 mm of armor.

Guinea Bissau, with a population of 950,000 and 9,200 men in the Armed Forces, is not a regular customer of the Brazilian military equipment industry. Its Army has 10 medium-size tanks and 30 armored vehicles and its Air Force has three MIG-17 airplanes that were manufactured in the 1950's.

Bolivia's Paz on Coca Crop, Foreign Relations

PY1808032690 La Paz Television Boliviana Network in Spanish 0030 GMT 18 Aug 90

[Text] Before returning from Brazil, President Jaime Paz Zamora held a news conference in Brasilia. We have a summary of the news conference, in which President Paz answered questions from Brazilian and Bolivian reporters.

[Begin recording] [Paz] All the legal and illegal coca cultivation in Bolivia is carried out within the Bolivian Amazon basin. This is where we are concentrating the main work of interdiction and alternative development based on the Bolivian theory of coca for development, which has been accepted by the United States and, gradually, by the international community.

[Announcer] After answering a question about coca substitution, Paz was asked about the Bush initiative.

[Paz] Beyond the actual contents of the Bush initiative, I find that it does a great historic favor to Latin America just through the fact that the initiative was proposed. After the proposal was made, Latin Americans began to look at each other as if they were asking who was going to answer the proposal or how we were going to answer it. The Bush initiative was like an alarm bell, a warning that our integration process is not yet sufficiently developed to be able to cope with a challenge of this nature.

[Announcer] The next question was about Bolivian-Chilean relations.

[Paz] Regarding Bolivian-Chilean relations, let me say that the governments are once again lagging behind the people. Relations between the Bolivian and Chilean people are very good; they have increased in the field of trade and at all levels in the last few years. Unfortunately, the governments of the two countries have not been able to make an adequate historic follow-up to the progress made in relations among people living near the extensive border between our two countries. In other words, the ideal should be for the two governments to raise themselves to the level of their people; this is more necessary than ever.

[Announcer] Bolivian reporter Mario Maldonado asked about the Brazilian president's upcoming visit to Bolivia.

[Paz] The announcement I made about President Collor de Mello's visit to Bolivia refers to an official state visit; President Collor can visit Bolivia at any time, with no need for an invitation. We wanted to take advantage of having the presidents of Andean countries in Bolivia later this year to link the different subsystems of regional integration, and to invite the Brazilian and Argentine presidents to be at that meeting if possible. The invitation is for an official state visit, and we would like that visit to be as long as possible. This is why the visit was scheduled for early next year.

The visit we made to Brasilia gave Bolivian congressmen a chance to contact their Brazilian counterparts, and it gave me a chance to meet with the president of the Brazilian Congress to establish a mechanism for Brazilian-Bolivian congressional interconnection to serve as a political basis, follow-up, and impulse for the agreements we reached. [end recording]

Paraguay's Gustavo Stroessner Testifies in Court

PY1808004190 Brasilia Domestic Service in Portuguese 2200 GMT 17 Aug 90

[Text] [Former Paraguayan Army] Colonel Gustavo Stroessner, the son of former Paraguayan President Alfredo Stroessner, today testified before the Supreme Federal Court and said that he is not a fugitive.

Giving his testimony at the supreme court before Justice Celso de Mello, Stroessner said he is not a fugitive but that he was expelled from his country. He said that if he is sent to Paraguay he will be submitted to an unjust trial.

The supreme court is studying an extradition request filed against the former colonel. He is accused of illegally profiting from his position of influence, of irregular operations with insurance policies, and of fraudulent bids. The Paraguayan courts estimate the amount involved is at least $16 million, equivalent to 12 billion cruzeiros.

Stroessner also said he is being prevented from the right to a defense because Paraguayan judicial authorities do not allow him to name a lawyer. Justice Celso de Mello, who is hearing the case, has set a 10-day deadline for the defendants and the accused to present their cases. Following this the prosecutor general of the Republic will have another 10 days to study all the proceedings and to submit an opinion that will be voted on by the 11 members of the supreme court.

Chile

Aylwin Answers Bush Explanation for Postponement

PY1708134090 Santiago Domestic Service in Spanish 1100 GMT 17 Aug 90

[Text] In a letter addressed to Chilean President Patricio Aylwin, U.S. President George Bush expressed his desire to reschedule his visit to Chile for late November or early December.

In his letter, Bush also noted that high-level negotiations on the U.S. budget, which demand his personal participation, will prevent him from visiting Chile in September.

Bush went on to say that one of the main objectives of this trip will be to discuss his Initiative for the Americas.

The U.S. President also praised Aylwin's leadership in restoring democracy in Chile since his inauguration.

President Aylwin, in turn, answered that he understood the reasons for postponement of the visit and stated that he regarded Bush's trip to Chile as highly important for the two countries.

Therefore, Aylwin stated: I hope that the solution of problems that have prevented you from coming to Chile will allow us to arrange a new time for your visit to Santiago.

Further on in his letter, Aylwin said that Bush's visit will undoubtedly have a very significant role in the complete normalization of U.S.-Chilean relations and will be an appropriate occasion to exchange points of view on the Americas Initiative, to which Chile attaches great importance.

U.S. 'Protectionist Attitude' Decried at GATT

PY1708142590 Santiago Domestic Service in Spanish 1100 GMT 17 Aug 90

[Text] Chile has denounced before the GATT the clearly protectionist attitude of the U.S. Senate against Chilean fruit exports.

This information was disclosed by Chilean Acting Ambassador to the United Nations in Geneva, Mario Artaza, who said the note, addressed to the GATT, states that the U.S. decision to extend the implementation of the marketing orders [two preceding words in English], or quality certificates to Chilean shipments of kiwi fruit, plums, nectarines, and apples, represents new retroactive and restrictive measures against trade.

Artaza explained that Chile hopes this subject will be analyzed by the GATT Uruguay Round so that the commitment to prevent new restrictive or distortive measures on commerce, as established during the current phase of negotiations on multilateral trade, is respected.

The ambassador said that he hoped this note to the GATT will prompt the competent U.S. authorities not to adopt this measure that would clearly discriminate against Chilean fruit exports.

Argentina's Cavallo Notes Good Relations

PY1708144190 Santiago Domestic Service in Spanish 1100 GMT 17 Aug 90

[Text] President Patricio Aylwin and Argentine Foreign Minister Domingo Cavallo assessed the new approach given to Argentine-Chilean relations during a luncheon held at La Moneda Palace.

After the meeting Minister Cavallo stated that this new approach is feasible between two democratic governments that are determined to avert the threat of any type of conflict and work jointly for the benefit of their people.

Cavallo added that he thought a new phase, marked by the affection shared by the two presidents, has started. He also voiced the Argentine peoples' admiration for Chile, a feeling that is reflected by Presidents Aylwin and Carlos Saul Menem.

He said that as a consequence, the necessary personal and political climate exists to work together in a very effective manner, as is the case now.

Cavallo reiterated that the Argentine president will pay an official visit to Chile from 26 to 28 August.

Silva and Cavallo Agree to Aid Citizens in Iraq

PY1708185590 Santiago Radio Chilena Network in Spanish 1700 GMT 17 Aug 90

[Text] The Chilean and Argentine foreign ministers agreed on the need to carry out actions in favor of the Latin Americans who are unable to leave Iraq.

Chilean Foreign Minister Enrique Silva Cimma said that one possibility would be to entrust OAS Secretary General Joao Baena Soares with this mission.

Argentine Foreign Minister Domingo Cavallo also suggested that a group of Latin American countries such as the Group of Eight, which Chile may join, be in charge of this issue which should be decided on by the two parties after making the respective consultations.

[Begin Cavallo recording] The main idea is to solve the problem that Chilean, Argentine, Brazilian, Mexican, and all Latin American citizens are having in leaving Iraq. [end recording]

Cavallo disclosed that there are 34 Argentine citizens, including diplomats, facing this problem.

The two foreign ministers this morning presided over a working meeting of the joint commissions in charge of drawing up the protocol agreement to be signed by the presidents of the two countries on 27-28 August. The development of negotiations will be kept secret until President Carlos Menem visits Chile.

Joint, OAS Cooperation Stressed

PY1808135490 Santiago Domestic Service in Spanish 1100 GMT 18 Aug 90

[Excerpts] Chilean Foreign Minister Enrique Silva Cimma and his Argentine counterpart Domingo Cavallo have agreed to ask the OAS to help Latin American citizens leave Iraq. This information was released by Silva Cimma after meeting with Cavallo for more than two hours at the Foreign Ministry. Silva Cimma said that he and Cavallo agreed that the OAS is the appropriate organization to undertake the corresponding negotiations.

For his part, Cavallo said that during the meeting he and Silva Cimma addressed matters involving the agreements that presidents Patricio Aylwin and Carlos Menem will sign at the end of the month in Santiago. He said, however, that he would give no details of the agreements and that he would only refer to them in general terms.

[Begin Cavallo recording] We will promote integration in the energy sector. We would also like to promote our partnership in the economic sector, thus broadening our economic possibilities, and our cooperation in all sophisticated technology areas, so that each country may use the experience of the other for mutual benefit. We included all possible sectors. [end recording]

He added that both countries have much to win through joint negotiations, as European countries are doing, and we will gradually undertake such negotiations.

As for President George Bush's Initiative for the Americas for liberalizing trade in the region, Cavallo said that it is good, but it will call for a negotiation process in order to achieve positive results.

Latin American Citizens Confined to Iraqi Bases

PY1808185290 Santiago Domestic Service in Spanish 1700 GMT 18 Aug 90

[Text] It has been reported that 450 Brazilians, 40 Argentines, six Mexicans, and approximately 30 Chileans might be confined to Iraqi military bases and oil processing facilities, which are the presumed first military objectives in case of an eventual attack against Iraq by the forces deployed in the Persian Gulf.

Among the 30 Chileans who are in Kuwait and Iraq, there are several women married to foreign professionals who work in those countries. The names that have thus far been released are: Adriana Briceno, (Claudia Helgueta), Patricia Varas and her small child, and (Berenice Seremich), who is in an advanced state of pregnancy and could not manage to leave the territory.

Among others, seven Chileans—who work for Cardoen enterprises—are still in Baghdad because they could not leave with the first group of 24 company officials.

In this regard, Raul Montesinos, head of the public relations department of Cardoen enterprises, made the following exclusive statements to Radio Nacional in Santiago, shortly before going out of town.

[Begin Montesinos recording] Since the beginning of the problem in Iraq, Cardoen enterprises, which is headed by Carlos Cardoen Conejo, have been very much concerned about the fate of our people in Iraq. As has been reported, 24 of them have already returned to Chile, while seven others are still in Iraq. We are certain, however, that despite any eventual difficulties—and despite the reports received from abroad—in the next few hours we will have good news reporting that our personnel have managed to pass to Jordan.

We are aware that international efforts are being made and that even the Organization of American States might intervene so that the Baghdad Government may adopt a position and release as soon as possible not only the Chileans, but also all the Latin Americans and the other half-hostages or prisoners who are in that Persian Gulf country. [end recording]

The group of Cardoen workers in Baghdad is headed by Engineer (Carlos Schirmann), who is the research and development manager of Cardoen enterprises. He has been in Iraq for only the first four months of the 36 during which—according to an agreement—he was to have worked on an ambitious metalworking, industrial, and military project.

There has been nervous tension after the Iraqi Minister of Labor and Social Affairs, Umid Midhat Mubarak, announced that an official communique will be released with a list of the foreigners who are being held in Iraq and Kuwait, specifying names and nationalities.

This information has been released by the Iraqi news agency, which said that the foreigners—especially the U.S., British, and Latin American citizens—would be confined to military facilities and oil plants that may be the target of the combined forces that have gathered in the Persian Gulf.

Silva on Possibility of Sending Troops to Mideast

PY2008025090 Madrid EFE in Spanish 0211 GMT 20 Aug 90

[Text] Santiago, 19 Aug (EFE)—Today Chilean Foreign Minister Enrique Silva Cimma did not dismiss the possibility of Chile sending troops to the Persian Gulf, although he explained that it all depends on what the UN Security Council decides.

Minister Silva thus answered a journalist who asked him about foreign reports on such a possibility. Silva added that the United Nations can make this request to Chile as well as to all other Latin American countries.

The foreign minister reiterated: "We are awaiting a Security Council decision" and added that if the request should be made, the Chilean Government will assess the situation before reaching a definite decision in this regard.

Regarding the case of the seven Chilean citizens trapped in Iraq, Silva Cimma said that there is no information that their lives are in danger.

Silva Cimma made this statement at the International Airport in Santiago after accompanying President Patricio Aylwin to meet UN Secretary General Javier Perez de Cuellar, who arrived on a three-day official visit to Chile.

Diplomatic Relations Begun With Antigua, Barbuda

PY1708172390 Santiago Domestic Service in Spanish 1100 GMT 17 Aug 90

[Text] For the first time in history, Chile has established diplomatic relations with Antigua and Barbuda in the Caribbean. A ceremony was held at the OAS headquarters.

OAS Acting Secretary General (Christopher Thomas) witnessed the signing of a joint communique by Chilean Ambassador Heraldo Munoz and Antigua and Barbuda Ambassador Edmund Hawkins.

Munoz noted that the decision to establish relations with Antigua and Barbuda is a result of the new era in Chilean institutional history.

Carabineros Chief Announces Arrest of Terrorist

PY1708171090 Santiago Domestic Service in Spanish 1100 GMT 17 Aug 90

[Excerpts] Carabineros Director General Rodolfo Stange has disclosed the arrest of a member of the Lautaro terrorist group. [passage omitted]

The terrorist, who was involved in three bank holdups, has been identified as 24-year-old (Alvaro Christian Rodriguez Escobar). (Rodriguez Escobar) was arrested after being caught driving a stolen car along Irarrazabal Avenue. [passage omitted]

Communist Party Member, Dissident Discuss Split

PY1708160290 Santiago Domestic Service in Spanish 1100 GMT 17 Aug 90

[Text] Fanny Pollarolo, former leader of the Communist Party of Chile [PCCh], has stated that this Marxist-Leninist group is rapidly heading toward a destructive spiral.

The former Second Region candidate for the Senate stated that the group headed by Volodia Teitelboim [PCCh General Secretary] should be more democratic and listen to the opinions of all sectors.

[Begin Pollarolo recording] We believe we are facing a very serious, dangerous moment, which could lead to a destructive spiral. We cannot just witness this passively because we are communists, and we love our party. We make this appeal because we believe a sensible response that will prevent this spiral is necessary. [end recording]

Always referring to Teitelboim, Pollarolo stated that he made a mistake in stating that the dissidents were trying to take over the PCCh leadership. Pollarolo added that Teitelboim made a big mistake in disclosing a list of communist militants who reject the sanctions imposed by the PCCh secretary general.

Meanwhile, Mireya Baltra, PCCh Central Committee member, urged dissident Fanny Pollarolo to reflect on her criticisms of the PCCh.

[Begin Baltra recording] We reassert the need for and fairness of the sanctions imposed by the PCCh Central Committee 11th Plenum. Fanny should realize that there are thousands of communists who are indignant about the concealed divisionist activities that have been uncovered, which are costly and coordinated. [end recording]

Baltra added that the PCCh militants have criticized the Central Committee for the delay in implementing the sanctions, which made legitimate use of a state of law and legality within the PCCh. This state was approved by Fanny Pollarolo and Luis Guastavino during the 15th PCCh Congress in their capacity as delegates enjoying full rights.

Baltra said that in her demands, Pollarolo attacks the PCCh by urging the communist militants to reject the sanctions in writing.

Pinochet Not To Attend Ceremony With Aylwin

PY1708195390 Santiago Radio Chilena Network in Spanish 1700 GMT 17 Aug 90

[Excerpts] Army Commander General Augusto Pinochet will not participate in the ceremony to commemorate the birth of forefather Bernardo O'Higgins, which will be presided over by the president of the Republic in Chillan on 20 August. This was reported by Defense Minister Patricio Rojas at the end of the weekly meeting of the Internal Security Council at La Moneda Palace.

Rojas said that on that same day Gen. Pinochet will participate in a similar ceremony to be held by the Army at the Military College. [passage omitted]

Regarding the ceremony in Chillan, Rojas said that the main speech will be made by the president of the Republic, and an appropriate patriotic address will be read by an Army officer who has not yet been designated. [passage omitted]

Rojas also reiterated that no military honors will be paid during the funeral for late president Salvador Allende [Allende was killed during the 1973 coup, and no official funeral service was ever held] because members of his family wish it to be a private ceremony.

Socialist Leader Regains Political, Civil Rights

PY1708204290 Santiago Radio Chilena Network in Spanish 1700 GMT 17 Aug 90

[Excerpts] The Constitutional Court [tribunal constitucional] this morning gave formal notice of a resolution through which all civil and political rights are restored to socialist leader Clodomiro Almeyda Medina.

Court Secretary Rafael Larrain Cruz released the resolution, which reverses the ruling issued in December 1987 in which Almeyda was accused of promoting violence and was prevented from engaging in any political activity.

The ruling was reversed because Article 8 of the Constitution was eliminated after the amendment of the Constitution in 1989. This eliminates the illegal nature of the actions described in that article, Larrain said. [passage omitted]

Almeyda has therefore recovered all his citizen's rights and, if ratified, will be able to assume his duties as ambassador to the Soviet Union. [passage omitted]

Central Bank Agrees to Reduce Interest Rates

PY1808121890 Santiago Radio Cooperativa Network in Spanish 2300 GMT 27 Aug 90

[Excerpts] Finance Minister Alejandro Foxley has reported that an agreement has been reached with the central bank to reduce interest rates and to provide $220 million in economic support to the central bank. Foxley added that the Central Bank council has agreed to reduce the interest rate paid on 90-day deposits from 8.7 to 8.2 percent. Another measure adopted refers to the decision not to continue offering promissory notes that fall due after 180 and 360 days.

Moreover, the state will transfer to the central bank $220 million as a special payment for a debt inherited from the previous regime as a result of the rescue operation of private banks during the crisis of 1982 and 1983. This $220 million to be transferred to the central bank will be obtained from the copper compensation fund.

In answer to a question, Foxley said the central bank has promised to save these resources so as to face any contingency in the balance of payments caused by the drop in international copper prices. [passage omitted]

Foxley added that these measures seek to reduce the intensity of the adjustment process to which the economy has been submitted since last year. As a result of this policy, domestic expenditures and the increase in imports have been reduced, while the acceleration of the inflation rate experienced toward the end of last year and the beginning of this year has been reduced.

Moreover, the minister said that the manner in which domestic expenditures have been adjusted have not affected investments or the balance of payments, but have strengthened prospects for a stable growth in a medium- and long-term period. He added that the tax policy has been limited strictly to available resources, and that no other expenditures have been initiated before previously ensuring sound financial support.

Foxley concluded by saying that tax reform will begin to generate new fiscal revenues as of this month, and that 100 percent of these revenues will be earmarked for social expenditures.

Nation Rejoins Latin American Parliament

PY1808152290 Madrid EFE in Spanish 0120 GMT 18 Aug 90

[Text] Lima, 17 Aug (EFE)—It was reported here today that Chile has rejoined the Latin American Parliament, which it helped to begin in 1964 and left nine years later after the advent of a military government in that country.

According to an official note released by the regional institution, the Chilean Chamber of Deputies and Senate submitted the corresponding request to Peruvian Andres Townsend, secretary general of the Latin American Parliament.

The note states: "With the reentry of Chile, the Latin American Parliament has gained continental dimension. The Chilean reentry will be implemented through the presence of the Chilean delegate at the meeting of the Parliament's executive board, which will be held on the Colombian island of San Andres on 19, 20, and 21 September." The note adds that Chile was one of the founders of the Latin American Parliament, which was created in Lima in December 1964. The Chilean Congress, however, was dissolved by the military coup that installed General Augusto Pinochet as head of the government in 1973.

The note says that with the reentry of Chile, all congresses of the region are members of the Parliament. The members are the Netherlands Antilles, Argentina, Aruba, Brazil, Colombia, Costa Rica, Cuba, Chile, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Dominican Republic, Suriname, Uruguay, and Venezuela.

* Military-Supported University Inaugurated

90P40111A

[Editorial Report] Santiago LA NACION in Spanish of 28 July on page 8 reports the creation of Bernardo O'Higgins University, a private institution with links to Chile's Armed Forces high command. University president Mario Correa Bascunan indicated that the new institution represented "the realization of an initiative begun by ex-president and Commander in Chief of the Army, Augusto Pinochet Ugarte, to create a university that is a cultural center from which values and principles essential to the national character are disseminated throughout society." Retired generals Julio Canessa, Alejandro Medina, Roberto Soto, Fernando Paredes and lawyer Francisco Javier Cuadra will comprise the institution's board of directors, with Patricia Matte, Maria Teresa Infante Barros, and Army Generals Jorge O'Ryan and Enrique Valdes Puga serving as alternates.

Santiago LA NACION in Spanish of 1 August on page 7 reports that Army officials developed the university's guiding principles. The university will "contribute to society through the education of new professionals in whom values steeped in the nation's most noble traditions will be instilled." General Pinochet, various active duty and retired generals, and several ministers and supporters of the former regime attended the 31 July inauguration ceremonies. According to LA NACION, no representatives of the current Government were present.

* Military-Left Relations Key to Transition

90SM0198A Santiago QUE PASA in Spanish 12 Jul 90 pp 12-13

[Article by P. Coddou]

[Text] It will take many years and the death of a number of individuals before the Chilean Army and leftist parties will be able to look at each other without suspicion or, indeed, look at each other at all, a very difficult task for two sectors of society that have inflicted a great deal of harm on one another.

The latest clash originated in a meeting organized by the Army at the War Academy for the purpose of presenting its institutional plans to members of Congress. The guests were to include members of the Defense Committee of the Chamber of Deputies and Senate, including Senator Jaime Gazmuri (PPD [Party for Democracy]-PS [Socialist Party]) and Deputies Victor Manuel Rebolledo (PPD) and Camilo Escalona (PS), but in the end they did not attend.

The Socialist Party Political Committee initially approved of their attendance "if the invitation came from the Defense Committee and involved nothing more than the relationship of two government institutions." However, the night before the meeting (the 27th), Gazmuri called the headquarters of the commander in chief to ask who had been invited and "was surprised to learn that in addition to members of the Defense Committees, guests would include other elected officials from the RN [National Renewal] and the UDI [Independent Democratic Union]." The president of the Senate then personally approached the Army in order to solve the problem. The High Command informed Gabriel Valdes of its wish that the invitation be extended to five senators and five deputies from the PPD-PS.

For the left, this was no more than a political maneuver by the Advisory Committee of General Pinochet to strengthen his image, manipulate the benches, "and give the Army assurance that its commander in chief could take the bull by the horns in handling any human rights issue," one socialist leader said.

Aside from all the other elements going way back, Pinochet is the seed of discord and spearhead in this relationship and it is difficult to glimpse any possibility of agreement on this issue. In the opinion of some socialist leaders, the former president is not the Army, so that acting as a body is not appropriate and the institution has no reason to answer for possible sins of its commander in chief by virtue of his former political role. For the Army as such, this is simply an attempt to "place a wedge between them." "Pinochet is the Army and they want to destroy a symbol," says one high official. What is more, they see a campaign organized by the leftist media aimed at destroying the prestige and sullying the name of their eternal general.

Quite apart from the situation in question, it would be very difficult to find two entities more opposed than the Armed Forces and leftist groups. The iron concept of fatherland of the military is opposed to any internationalist, much less revolutionary vision in which the Armed Forces are viewed as an armed instrument of the bourgeoisie. Their social makeup—mainly elements from the middle classes—makes them the antithesis of a revolutionary process, in the opinion of one political scientist.

"The Army is very sensitive to any division in society. For reasons of national security, it necessarily wants it to be a harmonious, cohesive entity and identifies it as a whole: banner, national anthem, and other symbols," he adds. And the Chilean Army, which perceives itself as the bearer of the "traditional values of Western Christian society," cannot then look with favor upon parties it views as contrary to its ideals and promoters of something no military mentality can understand nor tolerate: chaos, particularly in the case of those trained in one of the last Prussian armies left in the world!

Many military men do not believe in the fall of the Communist Party in East Europe, much less in the renewal of Chilean socialism. "Communism dresses like a woman in certain crises as a lure, but the dagger is concealed in the folds of the skirt," one military man metaphorically states. He adds that his view of the left has not changed because the institution assigns great weight to history. "We cannot forget what this sector has been and what it is." Not even on a friendly level is there any contact," he admits.

It is difficult to trace the background of relations between the Army and the left. There had already been a certain deterioration but until 1973, the military was not such an important protagonist. According to one analyst, it was President Allende himself who turned the military into an arbiter of the situation. Even the PC criticizes the Popular Unity Government for being incapable of "putting an end to the unending suspision and lack of understanding" between leftist parties and the Armed Forces.

For one PS intellectual, the important thing, in this story stretching so far back, is to avoid gratuitous offenses and false assumptions. "We in the Army do not want to change anything. Rather, we do not want the Armed Forces to have any political affiliation; we want it to do its professional duty and recognize the people's sovereignty." One politician adds that they must recognize the institutionality they themselves created. "If the next government is socialist, the Army should respect it."

He agrees with other colleagues on criticizing the Army Advisory Committee for making it engage in politics.

One high Army source, on the other hand, believes things will get better when the left assigns the Army its proper role: "We are returning to our natural role, but some are trying to diminish us, along with those who have supported us, such as the rightist parties." He also guarantees that they will respect institutionality and properly assume the role of guarantors: "Like the mother-in-law who does not like her daughter's husband, but who does not interfere unless he beats her."

There are obviously issues of concern to the military but on which no one will express an opinion. They are deliberating. In contrast, however, they do feel that the direct attack comes from the human rights side. They think the left wishes to use the issue to destroy Pinochet's image and blot out all the rest. They maintain that today, seen from a perspective of peace, everything appears larger than life, when he was the necessary scar from an emergency operation.

In the opinion of one Army source, since the left has learned that legal means (outlawing the crime or amnesty) do not result in any political benefit from violations of human rights, it has opted for the "communications-emotional path."

For socialists, the civic-military rapprochement depends on the fastest possible delivery of information by the Armed Forces. In other words, for the time being, there is no basis whatsoever for negotiation, nor is there any glimpse of one.

One socialist claims that whatever the case, the essential thing for them is to protect the transition, and this depends on not judging General Pinochet. They do not intend to condemn what is solely the business of those affected. He simply says that the process is guaranteed when the commander in chief of the Army cannot reject an invitation to lunch from the president "because the Armed Forces come under authorities elected by the people. When we achieve this, a natural dialogue will be opened up between institutions, as was once the case, and relations will improve."

However, in order to have an end to the suspicion, all agree, years will have to pass and many things will have to occur. Only then, as one politician says, may one put the frosting on the cake of transition and consider it finished.

* CUT Official on Military, Government

90SM0198B Santiago EL MERCURIO in Spanish 8 Jul 90 pp 8-d, 9-d

[Interview with Mining Confederation and CUT official Moises Labrana Mena by Raquel Correa; place and date not given]

[Text] He looks every inch the worker he once was: the rough, dark hands that mixed plaster, the strong hands of the Andacollo miner. He sports a Mexican-style mustache and has the speech of an educated man, although he never finished high school. His training comes from his background in the trade union movement and the efficient school of the Communist Party.

His father was a marine and his younger years were spent from port to port going south from Arica. He was born in Talcahuano, but feels that Valparaiso is his real cradle.

Moises Labrana Mena (41, married to Veronica Fernandez, three children) settled down early—he was 20; she, scarcely 15—so he had to put his shoulder to the wheel, starting as a stucco worker's helper and ending up as the owner of a wine cellar. Born to the wanderer's lust, he headed north. Ever the unionist since his early days in the Communist Youth, he heads the Mining Confederation and is one of the highest-ranking officials in the United Labor Federation (CUT).

Although he attended Catholic schools (preferably Salesian), he joined the Communist Party Youth "because from the time I was a child, I had a deep social concern for the problems of our people and felt the need to make a commitment to society."

A good labor leader, he always refers to himself in the plural: "We have read a bit of the classics Marx and Engels and I basically educated myself by reading the Chilean communists: Volodia and comrade Luis Corvalan."

"We have also made trips for the labor unions. Twice we participated in congresses of the Italian Labor Confederation and went to Moscow three times as the guest of Soviet unions."

Moscow

[CORREA] Is the Soviet Union your model?

[Labrana] For me, it was a model.

[CORREA] A model of what? Freedom and prosperity?

[Labrana] More than anything else, for how they resolved the problem of poverty at the time.

[CORREA] Is the problem of poverty in the Soviet Union resolved?

[Labrana] There is very important progress resulting from the effort of all Soviet generations. Perhaps it is not on a par with the development of great societies, which is something they now have to examine very carefully.

[CORREA] And what about freedom?

[Labrana] Since we were guests of the Central Council of Soviet Trade Unions....

[CORREA] They never let you go by yourselves?

[Labrana] We went to many places. (Here the tone is somewhat irritated.) The process of perestroyka....

[CORREA] But you were a communist long before perestroyka.

[Labrana] Yes, I was, and I think what is happening today is very interesting.

[CORREA] But you also liked what they had before.

[Labrana] I was never critical of the Soviet Union.

[CORREA] You were one of those "devout communists."

[Labrana] I guess so. There was a great deal of admiration for what they had, their progress, and—this was probably it—I did not see the difficulties. We definitely did not emphasize something that is now of central importance: the need for participation.

[CORREA] If you had to choose between freedom and bread....

[Labrana] Freedom is not freedom if needs are not met.

[CORREA] And what about bread without freedom?

[Labrana] There you have a very basic element. In a way, the Soviet Union is now searching for that also because there is a very sharp contradiction which we did not criticize at the time. I am also aware of the two Germanys.

[CORREA] And the United States?

[Labrana] No, but the capitalist countries that call themselves developed are very involved in their transnationalizing processes, taking advantage of other nations' underdeveloped situation. In 1973, Chile was the third most industrialized country in Latin America. The dictatorship turned it into a producer of raw materials and the country of cheap labor when it had been among the most expensive on the continent.

[CORREA] Getting back to Europe, what does the collapse of the Berlin Wall mean to you?

[Labrana] The wall was a problem that had to be solved.

[CORREA] But Teitelboim was celebrating the last anniversary of the wall....

[Labrana] Well, my opinion is that it was a problem that had to be resolved, but Berlin is in the heart of the German Democratic Republic. There was a problem facing its development.

[CORREA] Did that justify its construction?

[Labrana] Initially, without question.

[CORREA] To the extreme that those who tried to cross it should be killed?

[Labrana] There is a lot of talk about that situation. I understand things in their context. It was a time of relentless war between the intelligence departments of both governments. That is no justification, of course. Life can never be placed in danger. We are tremendously humanistic and fight for life.

Right to Revolt

[CORREA] The Chilean Communist Party has supported the armed struggle.

[Labrana] In our country, starting in 1973, the government attacked life. The right to rebel against tyranny is legitimate and even backed by the Catholic Church.

[CORREA] Does that justify the killing of Carabineros during that period?

[Labrana] There is no justification. The Communist Party has never attacked Carabineros.

[CORREA] It made it its "armed instrument."

[Labrana] The Communist Party has never attacked the lives of Carabineros. Our position on that has been quite clear.

[CORREA] But it has recognized its paternity of the Manuel Rodriguez Front, which carried out and still carries out armed actions.

[Labrana] There are two Patriotic Fronts.

[CORREA] That is true. I am asking about the militarized one.

[Labrana] The Autonomous Front has nothing to do with the Communist Party.

[CORREA] But it used to be one and the same thing.

[Labrana] That is true. Communists participated in the Front, but that does not mean it is the position of communists.

[CORREA] Whatever the case, you justify violence against the military government.

[Labrana] It is justified by the principle of the right to rebel against a tyranny. And the fact that it was a tyranny is proved by facts now being discovered: Pisagua, Chihuio, Lota, with the four comrades, including Isidoro Carrillo, a leader of the miners, the situation in Colina and everything else that will be known in the country. The Mining Confederation is gathering information about how miners were affected by repression. Our comrade and Secretary General David Miranda was assassinated in Calama.

Labrana thinks "amnesty cannot be granted for anything without being investigated. And there must be a far-reaching discussion by the citizenry about whether these crimes go unpunished."

[CORREA] If it depended on you, what punishment would you mete out to the guilty?

[Labrana] They would have to go before the courts, which would judge.

Armed Forces and Democracy

[CORREA] How do you explain the attacks that have occurred since the change in government?

[Labrana] I do not justify them, but there is a basic situation, amnesty, the delay in investigations. We have a society in crisis and in this case, if the courts do not do their part, it is natural that there should be a reaction of seeking revenge. I am not justifying the fact, but it does occur in a sick society that has not yet resolved its basic problems. The Truth and Reconciliation Commission has its work cut out for it here.

[CORREA] Do you justify the attack on General Pinochet and the murder of five of his bodyguards?

[Labrana] I think it was a legitimate act determined by his responsibility for the disappearance and killing of many Chileans and the situation in which the country finds itself.

[CORREA] Is that a threat?

[Labrana] No. He should be judged by the civilian courts.

[CORREA] Do you think this would be useful for democracy?

[Labrana] I think it would be useful for democracy for Pinochet to give up the office of commander in chief of the Army so the country can return to normal. He has to assume responsibility for what has happened in Chile over the past 16 years.

[CORREA] Do you think the Armed Forces would accept?

[Labrana] The Armed Forces are one thing and individual responsibilities another. It all depends on each individual's responsibility for acts committed. Institutions are permanent and must have a commitment to democracy.

[CORREA] You have said you supported "democratizing the Armed Forces." What precisely does this meand?

[Labrana] Democratization of the Armed Forces implies the resignation of all officers involved in the crimes of the past 16 years, that the Armed Forces should assume their historic role of defending national sovereignty.

Best Recollection

[CORREA] What is your recollection of Allende?

[Labrana] The best (he says, sighing with contentment). He was the man who put his stamp on the history of our country with respect to his commitment to the workers and our country's need for major transformations to achieve a truly participatory democracy.

[CORREA] Did Allende lead the country to a Marxist-Leninist system like what you would have wanted?

[Labrana] I do not think so. They took the steps set forth in the program and, without question, some went too far. For example, there were takeovers or interventions that were fully justified because they were strategic enterprises, but I recall that in Valparaiso, they even took over a dry cleaners, which was going too far. Government-owned means of production must co-exist with the development of small and medium-size industry in the hands of the private sector.

[CORREA] Large industries cannot belong to the private sector, in your opinion?

[Labrana] The government must decide what things are necessary to guarantee development. This is not linear; there are large enterprises that do not have to be government-owned. I am referring to strategic sectors such as the large mining companies, the energy sector, communications.

[CORREA] Not banking?

[Labrana] Yes. Credit must be in the hands of the state. The government must be the expression of the participation of all of society, not a deified structure.

Single Confederation

[CORREA] Do you support a single or united confederation?

[Labrana] I think the trade union movement should have a single organization.

[CORREA] But is that not antilibertarian?

[Labrana] Ask the Production and Trade Confederation. If we had a single organization, we would be strong enough to confront the Production and Trade Confederation, which is our counterpart. They have a single major organization.

[CORREA] There are many more workers.

[Labrana] That is true, but the owners are in control in the factories. We should try to achieve single trade unions. That is the legacy left to us by the father of the trade union movement, Luis Emilio Recabarren.

[CORREA] On this point you are in disagreement with the government proposal which stipulates 10 percent of the workers to organize trade union confederations.

[Labrana] I disagree completely. We asked for 20 percent. In the discussions we arrived at 15 percent and the government proposal says 10. We shall make our voice heard by contacting Parliament. We have already met with members of the Concertacion Labor Commission. They took up our proposal and will propose that the figure be increased to 15 percent. In this country, they should make it difficult to set up a new labor confederation.

[CORREA] But this is a violation of the freedom of association.

[Labrana] Why? We are calling on everyone to join with us in a single confederation and discuss our legitimate differences within the organization.

[CORREA] Do you want a single confederation so the Communist Party can control it again? That is what happened in the past.

[Labrana] No. There is now a whole group of forces expressed in the trade union camp.

[CORREA] What strength does the Communist Party have in the CUT?

[Labrana] We are one of the leading forces. I think we make up over 35 percent.

[CORREA] What group has more?

[Labrana] In the CUT, the Christian Democrats have slightly more than we do.

[CORREA] And what percentage of the workers are from the right or center right?

[Labrana] I do not know, but there is an organization known as the "Year 2000 Plan" which is trying to set up owners' organizations, especially in agriculture, and which are closer to UDI [expansion unknown] thought.

[CORREA] Why owners' organizations?

[Labrana] Because it is the owners who are making the effort to set up these labor unions. If they think they can keep control of them for long, they have another think coming.

Commitment

[CORREA] How committed is the CUT to the government?

[Labrana] Our commitment is to democracy. When the candidacies were decided, we pledged to support Patricio Aylwin.

[CORREA] Did you like him?

[Labrana] Well, we were all committed to him.

[CORREA] Have you forgiven him for being against Allende's government?

[Labrana] Times change. He may have taken that position at the time, but the country's situation also shifted to a dictatorship that made it necessary to unite all democratic tendencies.

[CORREA] But your party was against election registrations and delayed coming out for the "No" vote.

[Labrana] There was a difference in opinions. We always said that under any circumstances, what was fundamental was the active participation of the masses in developing events. Negotiations of the democratic sectors will always be positive as long as one has the active presence of the people. We thought we needed the scenario of the masses, that before taking a position on registrations or the "No" vote, we should get the masses involved.

[CORREA] Do you think the Chilean transition to democracy was too peaceful, too conciliating?

[Labrana] That is not the problem, but I think more could have been achieved with the strength of the masses, for example, not allowing all these "stacking" laws of Pinochet.

[CORREA] Don't you think it was a kind of "toll" that had to be paid?

[Labrana] But not that high. We would have paid a lower price by putting an end to the famous appointed senators now causing us so much trouble. When bills have to go through the Senate, they are a major obstacle.

[CORREA] Do you mean the Concertacion was too complacent?

[Labrana] Yes. If we had had more active participation of the masses, the negotiations would have been much more favorable.

[CORREA] And could they not have closed the way to democracy?

[Labrana] No, because Pinochet's regime was in a weakened position because of the plebiscite. Discontent reached such a point that....

[CORREA] Did it bother you to see General Pinochet dining at La Moneda [Executive Mansion]?

[Labrana] Yes. He was responsible for so much tragedy in the country that he should not be with those who were democratically elected.

[CORREA] In your opinion, was it a mistake on Aylwin's part to invite him?

[Labrana] Aylwin has a responsibility as president. He has to abide by certain rules.

Different Ways

[CORREA] Your party does not belong to the Concertacion.

[Labrana] No. In this country there were people, and not only communists, who opposed the idea of forming the great national democratic spectrum.

[CORREA] Because they do not consider them democrats.

[Labrana] Who says we are not democrats? We are one of the most democratic parties. There are different ways of understanding democracy.

[CORREA] Do you support the government?

[Labrana] I am not against the government.

[CORREA] Are you in favor of it?

[Labrana] I think that some things the government is promoting are extraordinarily important. The step taken with respect to human rights is basic in order to regain national coexistence, but a democracy has different protagonists: The government is one; the people are another. Democracy engages all social participants.

[CORREA] To what extent are you willing to support the government?

[Labrana] This government will have our complete support insofar as it faces and solves the major problems of the majority of the people. It has to continue opening up channels, showing it is determined to solve problems.

Colombia

Judge Orders Release of Medellin Cartel Members

PA1708163490 Mexico City NOTIMEX in Spanish 1543 GMT 17 Aug 90

[Text] Bogota, 17 Aug (NOTIMEX)—It was reported here today that a judge has ordered the release of six members of the so-called "Medellin Cartel's intelligence and communications network."

Second District Judge Ruben Dario Ceballos ordered the release of Eduardo Bautista Ortiz, who according to the Directorate of Judicial Police and Investigations (Dijin), was the regional head of the network.

Former police officer Noe Barreto Rodriguez was also released. In April 1987, he was involved in a massacre in the Bogota district of "Contador." According to the Dijin, he was the cartel's deputy chief in the area.

Luis Alberto Gomez, the network's alleged coordinator and paymaster, and Guillermo Rodriguez Ortiz, in charge of radio communications, will also be released, according to Judge Ceballos' orders.

Colombian reporter Dario Carrillo, who was murdered three months ago in Envigado (Department of Antioquia), was a member of the network.

Another 16 members of the cartel were released yesterday, among them Jose David Cortes Mejia, alleged personal physician of Pablo Escobar Gaviria, head of the Medellin Cartel.

Jesus Maria Wiraldo, accused of preparing and placing a car bomb with 940 kg of dynamite on the Samana River, [as received] and Ivan Gomez Diaz, in charge of the cartel's cash deliveries, were also released.

Ambassador to U.S. Views Marion Barry Ruling

PA1808230790 Bogota Radio Cadena Nacional in Spanish 1200 GMT 17 Aug 90

["Exclusive" telephone interview with Ambassador to Washington Victor Mosquera Chaux by Radio Cadena Nacional's Antonio Jose Caballero; on 17 August from Washington—live]

[Text] [Caballero] Ambassador Victor Mosquera Chaux has virtually completed his diplomatic mission to President George Bush's government in Washington D.C.—the area where Mayor Marion Barry works. At this time, we ask our ambassador for his opinion on the lenient sentence accorded to Mr. Barry, who will probably not have to spend any time in jail. The ruling handed down to Mr. Barry is very different from those who have been applied to Colombian citizens presently serving time in several U.S. penitentiaries.

[Mosquera] Long before Mr. Barry's trial started, I repeatedly stated that programs—such as drug education, drug addiction treatment and rehabiliation, penitentiary construction, legal system reinforcement, etc.—would not be enough to combat the scourge of drugs if the U.S. courts do not assign enough importance to the use of drugs in the United States. I have continously stated to U.S. officials that stricter punishment has to be applied to drug consumers. People will continue to use drugs regardless of the type of controls established in Colombia as long as sentences given to drug users are so lenient. As long as drug use continues to be a misdemeanor—to use the English word—in the U.S. justice system, drug addiction will continue despite the immense sacrifices of the Colombian people.

[Caballero] What is your opinion in the specific case of the Washington D.C. mayor and the lenient sentence accorded him?

[Mosquera] My opinion is the same as the one held by all Colombians. It is really incredible that such a light sentence was given to Mayor Barry after a long legal process that clearly demonstrated that he used drugs and that his use of drugs was not occasional, but frequent. This, of course, has been a shock not only to Colombians, but also to a large number of U.S. citizens.

[Caballero] Mr. Ambassador, you have also expressed your opinion on the topic of extradition in the past. The justice minister discussed this topic with us yesterday. He all but said that extraditions would end if drug-related terrorism, which has caused so many deaths in Colombia, disappeared. What is your opinion on this matter?

[Mosquera] Since I took this post or, better said, since I presented my credentials to President Ronald Reagan's Government on 21 December 1987, I have maintained that extradition is a simple legal procedure to prevent crimes committed in one country by nationals of another country from going unpunished. I have stressed that extradition is not a panacea and will not solve the drug problem. Here, in the United States, many people are obsessed with extradition, and I do not believe this procedure has been adequately explained. In reality, extradition exists in Colombia since Colombian justice is still not firm and does not have the necessary elements to bring drug taffickers to trial. The Colombian justice system is threatened; judges and magistrates need more protection. The situation will be different when these problems are resolved.

[Caballero] In conclusion, Mr. Ambassador, how are the Colombians you are leaving in U.S. jails? Thanks to your efforts it now seems that their rights are being respected more than in the past.

[Mosquera] It is true. I have been very concerned about the fate of Colombians in U.S. jails. I frequently contact them; they are visited by consular or embassy officials whenever necessary. I have virtually full control over the cases I am asked to deal with. Many times we effect changes to discriminatory treatment; other times American legal practices that we Colombians do not understand well enough are explained to us.

[Caballero] How many Colombian inmates are there in U.S. jails, Mr. Ambassador?

[Mosquera] There are many, but we only have a count on the federal inmates. There about 2,600 charged with drug trafficking. Consulates are not given statistics covering state inmates because many times the inmates themselves refuse to allow the information to be released.

[Caballero] You have been very kind, Mr. Ambassador. We wish you a happy return to Colombia after you end your mission in Washington.

[Mosquera] Thank you kindly.

Government Declares Strict Fiscal Measures

PA1708190990 Bogota Inravision Television Cadena 1 in Spanish 1748 GMT 17 Aug 90

[Text] The Colombian Government announced strict fiscal adjustments today. Among other measures, it has announced a freeze on the salaries of public employees. It also froze the issuing of Colombian currency and placed a 25- percent limit on payments [not further specified]. It announced cuts in operating expenditures as well as strict control measures on the foreign debt.

This was announced by the Colombian Government today.

Security Chief Rejects Israeli Colonel's Claims

PA1708195690 Bogota Inravision Television Cadena 1 in Spanish 1736 GMT 17 Aug 90

[Text] In Bogota today, Administrative Department of Security [DAS] Director General Miguel Alfredo Maza Marquez refuted statements by Israeli Colonel Yair Klein, who has been accused of training mafia employees and of participating in the assassination of Colombian Senator Luis Carlos Galan Sarmiento.

The Colombian officer also denied reports that claim two Palestinians participated in the assassination of Senator Galan. He said that Colonel Klein wants to divert the investigations.

Let us see what the Colombian general and the Israeli colonel have to say.

This week's DAS report on the progress being made on the assassination of Senator Galan involves Yair Klein. According to DAS, everything indicates that Klein provided training and advice in the plot against Galan. Two facts confirm this claim: One, a Galil rifle that was part of an arms shipment sent from Israel in April 1989 was found when one of the killers of Senator Galan, Jaime Eduardo Urroa Rocha, was captured; and, two, the assassins acted like typical commando unit trained by Klein.

The attorneys of the Israeli mercenary deny their client's participation. They say that their client did not take part in any of the activities related to the crime.

The JERUSALEM POST, however, has reported a new element: According to a statement by Klein to this Israeli newspaper, two Palestinians committed the crime, were arrested and later confessed their crime, but were released afterwards by Colombian security services.

[Begin Maza Marquez recording] This is impossible. Had we captured any Palestinians, we would have placed them at the disposal of the authorities, as we have done with others. [end recording]

Gaviria Notes Need for Dialogue With Guerrillas

PA1708155590 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 16 Aug 90

[Text] For the first time since taking office on 7 August, President Cesar Gaviria Trujillo has attended a military ceremony. The president attended the ceremony marking the 62d anniversary of the Presidential Guard battalion. He spoke about the dialogue with the guerrilla forces and their demobilization in various regions of the country.

[Begin Gaviria recording] At the same time we fulfill the mandate for renewal that we received in the elections, we will insist on the search for political solutions with those guerrilla groups which accept, as some have already done, that the objective of the dialogue cannot but be their demobilization, disarmament, and their return to society so they can pursue their political objectives through peaceful means. To this end, we will give them all the political and legal guarantees they need because the objective of peace is well worth it. However, the path of dialogue does not stop there. The government and all forces of society must speak with the victims of violence and with the needy. That should be the main objective of our policy. As I announced in my speech on 7 August, we must hear the call, the demands, and the complaints of all those who obey the law and are seeking a place under the Colombian sun. [end recording]

Clashes Reported for 1-16 August

PA1808223690

[Editorial Report] Bogota EL TIEMPO in Spanish on 1 August on page 9a reports that three guerrillas were killed, four guerrilla camps were destroyed, and 60 kg of dynamite and weapons were seized as a result of countermeasures against guerrilla activity staged by Army troops in Santander, Norte de Santander, Bolivar, and Huila. The Army troops clashed with the Captain Parmenio column of the National Liberation Army (ELN) in San Vicente de Chucuri. Guerrilla Fermin Figueredo was killed in the clash. Also, guerrillas of the Claudia Isabel Escobar Jerez faction of the ELN engaged in a skirmish with units of the Maza Mechanized Group in which German Antono Parada Jimenez was killed. The same report states that troops of the Guajiros Battalion destroyed three ELN camps in southern Bolivar.

Bogota EL TIEMPO in Spanish on 4 August on pages 1a and 8a reports that Antioquia Police were successful in arresting five ELN members who raided a cooperative in Amalfi. The ELN guerrillas arrested are: Elmer Garcia Henao, Alfredo Burgos Negrete, Luis Evelio Velasquez Rua, Jose Lucas Bonilla, and Gloria Rosa Calle Jaramillo. The police also seized an Uzi submachinegun, ammunition clips, a magnum pistol, a fragmentation grenade, propaganda, and signs alluding to the ELN. In Valle de Aburra the police arrested the following men who had kidnapped a policeman: Orlando de Jesus Lopez Ospina, Juan Esteban Serna Gonzalez, Jose

Ramiro Monsalve Luja, Carlos Mario Marulanda Roldan, and Victor de Jesus Villa Carvajal.

Mexico City NOTIMEX in Spanish at 1906 GMT on 5 August reports that Army forces and guerrillas of the Revolutionary Armed Forces of Colombia (FARC) have engaged in fierce fighting for four days in Huila Provice, with a toll of 27 dead, according to a military report. Spokespersons for the 9th Infantry Brigade indicated that the rebels left behind firearms and ammunition.

Bogota EL TIEMPO in Spanish on 6 August reports that the 9th Army Brigade based in Neiva has announced that it is in control of the zone of Algeciras in Huila where members of the 2d and 23d FARC Fronts have been active. Thus far 15 guerrillas and soldiers Juan Carlos Bonell Mera, 23, and John Jairo Gonzalez Zunia, members of the Cacique Pigoanza Infantry Battalion of La Plata, Huila, have been killed in clashes. Colonel Luis Bernardo Urbina Sanchez, commander of the 2d Brigade, reports that 150 kg of dynamite, weapons, logistical material, intelligence documents, and communications equipment were seized from the rebels.

Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 6 August 1990 reports that FARC guerrillas and regular troops clashed in Algeciras, Huila Department. The Ninth Infantry Brigade reported that 18 rebels were either killed or wounded. The report adds that the military operations are taking place in rural areas of Algeciras, Huila Department, and San Vicente del Caguan, Caqueta Department, where members of the 2d FARC front have taken refuge.

The report states that one policeman was killed, three civilians were wounded, and two toll booths on the Inter-American highway in Cauca Department were dynamited as the result of several raids by members of the self-styled Simon Bolivar National Guerrilla Coordinating Board over the past two days.

Madrid EFE in Spanish at 1622 GMT on 10 Aug reports that the ELN attacked and dynamited the Agrarian Fund office in Granada, Antioquia Department, making off with $1600. Bank officials stated that approximately 30 ELN members participated in the attack.

Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 11 August reports that a policeman and a Dijin (Directorate of Judicial Police and Investigations) official have been killed in a shootout between policemen and unidentified individuals in a northern Medellin park.

Bogota Inravision Television Cadena 1 in Spanish at 0100 GMT on 13 August reports that a group of FARC subversives ambushed a police patrol in Playon Municipality near Bucaramanga on 12 August. Three soldiers were killed and another was wounded.

Bogota EL TIEMPO in Spanish on 13 August reports that ELN guerrillas intensified their activities in Santander over the weekend of 11-12 August. The rebels spilled 7,000 gallons of asphalt and attacked a bus on the Tibu-La Gabarra route, taking the passengers' belongings. The report adds that rebels of the FARC front killed two peasants in Portachuelo on 11 August.

Madrid EFE in Spanish at 2121 GMT on 16 August reports that the Colombian Army killed four FARC rebels and uncovered an underground prison, according to an official report. A military source said that the underground prison was found in Tropezon, San Vicente de Chucuri Municipality, 380 km northeast of Bogota. The source added that Luciano Luyer Battalion troops clashed with members of the 12th FARC Front which is active in that region. Four guerrillas, including a woman, were killed in the clash.

Paraguay

Official Decree Prohibits All Trade With Iraq

PY1808183890 Asuncion PATRIA in Spanish
18 Aug 90 pp 6,7

[Text] Through Decree No. 6732, the Paraguayan Government has forbidden trade, commerce, financial transactions, and other forms of exchange, cooperation, and assistance with the Republic of Iraq.

Although Paraguay had already announced its position, the decree signed by President Andres Rodriguez was released today. It says: "Given Resolution No. 661 issued by the UN Security Council after the invasion of Kuwait by Iraq," and "considering the serious situation that has arisen as consequence of the invasion, and the serious threat it poses to international peace and security; the implementation of the obligatory sanctions imposed by the UN Security Council is the most appropriate peaceful means the international community has to reach a solution for the situation ..."

"The president of the Republic of Paraguay thus decrees the prohibition of trade with the Republic of Iraq, of financial and economic transactions, and activities by companies or institutions which promote cooperation with that country."

These measures are also applicable to Kuwait—in absence of specific prohibitions to provide assistance to the legitimate Kuwaiti government—as long as it remains illegally occupied by Iraq.

Police Chief Expels Stroessner's Grandson

PY1808000590 Asuncion ULTIMA HORA in Spanish
17 Aug 90 p 56

[Text] During a news conference held at Government House this morning, Asuncion Police Chief General Francisco Sanchez said that he has ordered the expulsion from the country of Gustavo Dominguez Stroessner, grandson of former dictator Alfredo Stroessner.

Asked about the reason for the expulsion of Dominguez Stroessner, Sanchez said that he was expelled from the country because "he is involved in activities in which he is not supposed to be involved." Sanchez did not provide details on the type of activities conducted by Dominguez Stroessner, who is currently in Brasilia replacing Gustavo Stroessner [uncle of Dominguez Stroessner] in charge of his grandfather's security. Gustavo Stroessner is in prison awaiting the result of an extradition process.

Asked about whether Dominguez Stroessner took messages for his grandfather's followers, Sanchez said "Dominguez Stroessner carried out activities that were not in keeping with his position as a common citizen."

Asked about why this case was not reported to the court, Sanchez said: "We staged a revolution to avoid this type of situation and we will ensure that the blood spilled during the coup d'etat is respected."

Sanchez added that the action taken by the police is not contrary to the State of Law prevailing in the country.

Colorado Party National Leadership Criticized

PY1708174590 Asuncion EL MENSAJERO in Spanish 15 Aug 90 p 8

[Unattributed article: "When Does Conspiracy Against One's Party Begin?"]

[Text] With our internal quarrels, we Colorados are undermining the very life of the party. The adjectives, innuendoes, and insults being hurled around not only disguise an inability to analyze the real problems affecting the Republican National Association, but also hide the interests of those who intend to take over the leadership of the party again. They manipulated the party's destiny from the inner presidential circle during the dictatorship of Alfredo Stroessner, whom they betrayed so they could pose, under the new government, as standard bearers of the "democratic and anti-Stroessnerist" policy. In a despicable effort to secure the party's leadership for his allies and servants, Judas Iscariot may have orchestrated a campaign against the Colorado Party. He touched off the most ferocious and broad campaign against some party officials, which was later silenced as automatically as it began. Now the campaign has reappeared as the Colorado Party president made references to an economic criminal "whose name begins with P." Nobody falls for that euphemism because everybody knows him, although he wears a new mask.

We say to those who talk about democratizing the party that it is first necessary to purge the party's leadership. Democracy is respect for the will of the people, for the government of the people, and ultimately for the people. The people had been forced to vote, but not given a chance to choose their leaders. The leaders have emerged behind the consent of the Colorado people, through deals among party officials, anti-Stroessnerists [contestatarios] without doctrine, and the powerful in government who have no ideas but do have ambitions and interests.

In our party chapters, the leaders have been elected by party members' direct vote—except in a very few cases. Authorities elected by majority vote are genuine and legitimate representatives of the grassroots. The same thing cannot be said of leaders who, having no qualifications, have created a true rhetorical pollution within the party.

The Colorados demand and ask for internal elections to be held immediately so that a new party government board can be elected by direct vote. Then those who have popular support will lead the party on behalf of the people, and will do so democratically, respecting the majority's will, but allowing the legitimate minority to participate. Those who have no doctrine and no representation cannot be party leaders; those who managed to get into the party's leadership through spurious deals cannot sit on the party's government board, even though they have been placed there by associates of the powerful in government, invoking their name and representation.

We cannot continue to allow the traffickers and smugglers—who were persecuted by the police for only three days, but who benefited from the dictator's personal protection during 35 years—to try to be leaders of a glorious political organization. We cannot forget that when the Colorado people protested the shameful party convention of 1 August 1987, the current anti- Stroessnerists defended "the illustrious and dear personal friend"—who they betrayed and scorned after the February revolution—and continued to poison the party leadership. Those public leeches [prebendarios], who had the IBR [Agrarian Reform Institute] illegally award them plots of land which they afterward sold through real estate developments, cannot come to talk about anti-Stroessnerism to us. Those who obtained fantastic loans from state banks during Strroessner's regime cannot come to talk to us about party morale, since it is known that the dictator was the only one who controlled such loans which he granted only to his public or personal servants.

What is sought with this campaign against the party, against its unity? Are the real Colorados the same criminals who benefited from the former regime? Are they the Colorados who passed from administering a simple bakery to administering large national and international deals? Aren't the same government leeches of yesterday, the same influential people of today? It seems that this infamous orchestration has been designed by the Viceroy Ambassador Towell and his servants, to bring an anti-Colorado coalition to government. If such are the objectives, we must admit that they are consistently working for this with the support of those who yesterday gave the party to Stroessner and who currently want to sell it to protect their interests. Thus we can explain the Cain-like struggle unleashed against the party and manipulated by those who are close to the government and who are harming it. They are trying to postpone the internal party elections for the Colorado Party government junta members who should be elected by direct vote and never again by single, imposed lists.

Peru

Government Increases Minimum Salary 300 Percent

*PY2008001090 Buenos Aires DYN in Spanish
1252 GMT 19 Aug 90*

[Text] Lima, 19 Aug (AFP)—On 18 August Labor Minister Carlos Torres announced that the Peruvian Government has ordered a 300 percent increase in the minimum salary in the private sector. The salary increase was ordered ten days after an anti-inflationary plan went into effect that increased prices 1,000-3,000 percent.

Torres said that therefore, the minimum salary has been increased from 4 million intis to 16 million intis (about $50), but he admitted that the increase does not cover the cost of basic foods, which is about 87 million intis, about $270.

He added that a larger increase would raise inflation and lead many small companies to bankruptcy. He said: "This is not the salary the government wants to give, but the salary it can give." He expects more salary increases after the economic crisis is overcome.

In order to curb the hyperinflationary process of 2.2 million percent accumulated in the last five years, the Fujimori administration ordered an increase in fuel prices of 30 times, in basic food prices of 400 to 1,000 percent, and in public utility prices of 1,000 percent.

Pablo Checa, acting secretary general of the General Confederation of Peruvian Workers (CGTP), the largest labor union organization in the country, labeled the increase: "genocidal." He confirmed that a general strike will be held on 21 and 22 August. He added: "That salary adds more fuel to popular discontent."

Torres added that the salary increase goes into effect in August and if necessary, salary adjustments will be implemented in September. He said the salary increase for public workers will be known next week.

Torres admitted that the anti-inflationary program to cope with the economic crisis inherited from the Alan Garcia administration will lead to "some recession" and the closure of "inefficient" companies.

Guerrillas Call for Armed Stoppage on 21 August

*PY1708183590 Buenos Aires DYN in Spanish
1747 GMT 17 Aug 90*

[Text] Lima, 17 Aug (AFP) — Today the pro-Shining Path weekly EL DIARIO reports that the "urban arm" of The Shining Path, the self-styled Defense of the People Revolutionary Movement (MRDP), has called for an armed stoppage in Lima on 21 August.

The MRDP has called the stoppage "to defend salaries from the increase in the cost of living, unemployment," and against the anti-inflationary measures of the new Peruvian Government of Alberto Fujimori, whom the weekly calls "the servant of imperialism and reaction."

Union sources report that on 21 and 22 August there will be a 48-hour strike that has been called for jointly by the two labor federations to protest the harsh economic measures that the government implemented last week.

An armed stoppage called for by the Shining Path during the early morning of 16 August was a failure, according to police sources of that southeastern Andean region.

Guerrillas Reportedly Occupy Department Capital

*PY1708154090 Buenos Aires TELAM in Spanish
1511 GMT 17 Aug 90*

[Text] Lima, 17 Aug (TELAM-ANSA)—According to radio reports monitored in this city, a large group of guerrillas has occupied the city of Moyobamba, capital of the Amazon Department of San Martin.

Up to now, details of the takeover are not known nor is it known which guerrilla group carried out the action. The same radio reports stress that police and military units in the area have been surrounded.

Terrorists Attacks Continue Throughout Country

Bus Intercepted in Lima

*PY1808114090 Lima Television Peruana in Spanish
0100 GMT 18 Aug 90*

[Text] One terrorist died while another subversive and a National Police student were wounded in a thwarted attack on a bus of Enatroperu [National Urban Transport Enterprise] in the Las Palmeras development of the Los Olivos District.

The attack occurred at 1145 this morning when three terrorists intercepted a bus of line 54 at the corner of Las Palmeras and Naranjal Avenues. Three other terrorists who travelled in the bus got out, sprayed it with gasoline, and tried to burn it.

A 19-year old student from the National Police identified as Luis Alberto Morales Palacios, who was guarding the vehicle, tried to intervene but was overpowered by the terrorists who wounded him in the neck. Policemen driving patrol car No. 1120 unexpectedly appeared on the scene and tried to intervene. The terrorists repelled them with bursts of submachine guns and explosives. Four terrorists managed to escape. According to witnesses, they were lead by a woman. The injured student was taken to the police hospital and the terrorists to the Collique health post, where one of them died. The police from (Sol de Oro) immediately conducted a vast operation and arrested three suspicious people.

Bomb Explosion Wounds Four

PY1708211190 Lima Television Peruana in Spanish 1800 GMT 17 Aug 90

[Text] This morning four people were wounded by the explosion of a bomb on the (Vitamiento) highway. The bomb was hurled by terrorists from the (Balta) bridge in the Rimac District.

Three vehicles travelling along that important highway were seriously damaged. Most damaged was a bus carrying personnel of the (?Electresa-Transfisa) [expansion unknown] company.

[First name indistinct] (Huamal), Jesus Alarcon, and (Cesar Zea Lozada) were wounded and taken to the Rimac hospital. A bus of the NORPACIFICO [expansion unknown] company coming from the northern sector was also damaged and its driver, Cesar Tapia, was injured.

A pick-up bearing license plate PM-6454 was also damaged.

The attack apparently was aimed at a truck carrying Army troops that was passing by the highway. The attack on the military truck failed due to a misunderstanding among the guerrillas. The bomb was inside a black small suitcase.

Alleged Terrorists Kill Civilians

PY1808145690 Madrid EFE in Spanish 2359 GMT 17 Aug 90

[Text] Huancayo, 17 Aug (EFE)—The Huancayo military command today reported that alleged terrorists murdered two civilians in Huancayo Province in the last few hours. Meanwhile, a soldier shot dead an amateur soccer player during the curfew in this Peruvian city 315 km east of Lima.

The National Police today found two bodies on the outskirts of the city. The bodies had been shot in the head and showed obvious signs of torture. The bodies' hands and feet were tied.

The security forces have blamed the murders on the Maoist Shining Path group, which began an armed struggle 10 years ago.

According to a military report, Martin Urcos, (?24), was shot the evening of 16 August while trying to escape after soldiers ordered him to stop as he was on the street during curfew hours.

Urcos, a soccer player of an amateur team, had ended his routine training and was heading home, his teammates said.

Military sources also reported that on the same day a soldier accidentally shot himself in the head while standing guard at one of the posts of the "9th of December" garrison.

Since 1980, political violence has caused some 21,000 dead and losses of at least $18 billion, which is equivalent to six years of Peruvian exports.

Police Prevent Attack, Arrest 10

PY1708144490 Lima Television Peruana in Spanish 1100 GMT 17 Aug 90

[Text] Yesterday police prevented a violent terrorist attack on the El Callao Provincial Prefecture and the 28th Police Station with the arrest of 10 subversive criminals—members of the Shining Path terrorist group. The police found a large number of explosives and weapons with the terrorists, some of whom were students from the national universities of San Marcos, Enrique Guzman, and (Valle La Cantuta).

In a police operation that took place at 0530 today, Dircote [Counterterrorism Division] agents patrolling the streets of El Callao Port surprised three terrorists writing slogans on the walls of a store on block six, 2 de Mayo Avenue. When the police agents, who were armed with automatic weapons, ordered the group to stop, they hurled a powerful bomb at the police car. Fortunately, the bomb did not hit the car. A violent shoot-out followed.

Shining Path Razes Public Offices

PY1708143590 Madrid EFE in Spanish 0637 GMT 17 Aug 90

[Text] Ayacucho, Peru, 16 Aug (EFE) — Local police have reported that armed columns of the Shining Path terrorist group murdered one person and destroyed public offices and vehicles in attacks today and on 14 August in various zones of the Andean department of Ayacucho.

On Tuesday night a group of terrorists raided the town of Vilcashuman, 60 km south of Ayacucho, and stabbed businesswoman Otilia Berrocal to death because she resisted the sacking of her shop.

On Tuesday approximately 50 terrorists dynamited and set on fire the town hall, the offices of two public development organizations, and a medical center. They also sacked shops.

According to a special congressional committee, since the Shining Path began its armed struggle, political violence has caused more than 20,000 deaths and material damage amounting to more than $18 billion.

Military Clarifies Rally Authorization Process

PY1708140490 Lima Television Peruana in Spanish 1100 GMT 17 Aug 90

[Text] Lima Prefect (Jacobo Mishkin) has said that only the Second Military Region, not the Lima Prefecture, can authorize public rallies and marches in Lima.

(Mishkin) said that according to Supreme Decree No. 36 of 6 August 1990, the Second Military Region command is the only organization that can grant these authorizations because all public meetings, including marches, have been forbidden since declaration of a state of emergency in Lima. He said that besides this prohibition, citizens must be aware of the danger of subversive infiltration in these acts, as recently happened in downtown Lima with the CITE [Intersectorial Confederation of Public Workers] march. (Mishkin) said that now the prefecture can only authorize meetings in private places, such as cultural and social meetings, not political ones.

Venezuela

Policy on OPEC, Mideast Crisis Takes Shape

Energy Minister Interviewed

PA1808012490 Caracas Venezolana de Television Canal 8 in Spanish 0005 GMT 18 Aug 90

[Text] Venezuela has established its position on the petroleum issue. In the wake of the crisis that is afflicting the Persian Gulf, it has requested an urgent special meeting of the OPEC Conference. Marbella Molina filed this report:

[Begin recording] [Molina] Energy and Mines Minister Celestino Armas made this announcement after a meeting with the advisory commission on petroleum policy. It is part of a request sent this morning to the president of the OPEC Conference, (Sadek Busena).

[Armas] Venezuela agrees with Saudi Arabia that a shortage of petroleum supply will constitute a much heavier burden on developing countries because their dependence on petroleum is even greater than that of industrialized countries. We believe that OPEC must act as soon as possible to assess the ways to solve this problem.

[Molina] Our country decided that it was advisable to establish a position because OPEC production has dropped by four million barrels per day and the price has increased by more than four dollars per barrel. This situation is creating instability in the international petroleum market for developing countries and the United States, which is our main customer:

[Armas] We advocate the policy of maintaining stability in the world supply and a gradual adjustment in prices that will be satisfactory to producers and consumers.

[Molina] This is a trying moment for OPEC, and Venezuela wants to ask this organization to adopt temporary measures and to not take over the share that Iraq and Kuwait have in the international market. The next few hours will be decisive for the proposed meeting because the consensus of seven of the 13 members of the organization is required.

Minister Armas played down press reports that the Energy and Mines Ministry and Venezuelan Petroleum, Inc. have different criteria in this regard. The minister said that at this moment he has no time to argue and much less time to have disagreements with anyone. [end recording]

After a request for an urgent OPEC meeting was presented by Venezuela and Saudi Arabia, Iraqi Oil Minister 'Isam 'Abd-al-Rahim al-Jalabi was harshly critical. According to a news dispatch datelined in Nicosia, Minister al-Jalabi reportedly denounced the Saudi request for an OPEC meeting as a manuever aimed at obtaining a planned increase in petroleum production. Al-Jalabi also accused Saudi Arabia of promoting petroleum shortages by preventing tankers from Israel and other countries from loading petroleum at the Iraqi oilduct of the Saudi Port of (Mojis) at the Red Sea.

The already somber outlook of the Middle East is turning even darker with this development and the decision of Iraqi President Saddam Husayn to confine foreigners in alleged concentration camps.

Foreign Minister Comments

PA1908170990 Madrid EFE in Spanish 0030 GMT 19 Aug 90

[Text] Caracas, 18 Aug (EFE)—Venezuelan Foreign Minister Reinaldo Figueredo confirmed today that his government wants to summon an extraordinary meeting of OPEC to study the energy situation stemming from the Persian Gulf crisis. Figueredo returned on 17 August from a visit to OPEC countries Saudi Arabia, Iran, Algeria, and Nigeria to inform them of the Venezuelan decision. He said that his views were well received—but acknowledged Iran does not agree with the idea of summoning the meeting, but supports the position of the International Energy Agency (IEA) that nothing is happening on the oil market.

The IEA says nothing is happening, but the reality says otherwise, Figueredo noted. The official noted that Iraqi's invasion and subsequent annexation of Kuwait has caused a shortage of 4 million barrels a day of crude oil. Figueredo stressed OPEC must meet to decide how to cope with the crisis and to decide what temporary actions to take to compensate for the production shortage. He reiterated that OPEC countries do not have the capability to fully make up for the amounts of oil Iraq and Kuwait have stopped exporting and explained that the daily shortage of four million barrels is causing a depletion of surplus stocks. The foreign minister said Venezuela and four other unidentified countries would be able to increase production in an attempt to meet the shortage, but he warned that this cannot be achieved overnight and stressed that OPEC must reach that decision by consensus. Figueredo noted that details, like the availability of vessels to take the crude to new customers and whether Venezuelan oil meets the requirements needed by countries that used to purchase their supplies from Iraq and Kuwait, must be studied before a decision is made. The official recalled that Venezuelan crude has a high sulphur content and, thus, requires a very complex refining process, whereas Iraqi and Kuwaiti crudes are much lighter. He also noted that Venezuela will have to invest over $20 billion to increase its production potential to four million barrels a day. However, he noted his country is in a better position after 10 years with proven reserves of 60 billion barrels. That is why it can raise production to 3.5 million barrels a day without affecting its oil deposits. Figueredo said that in his talks with Persian Gulf heads of state, he found they concurred in rejecting Iraq's invasion of Kuwait and yet they condemned the embargo imposed by the United States on the Baghdad regime for reasons of Arab solidarity and religion.

Argentine Foreign Minister Arrives in Caracas

PY1908213290 Buenos Aires DYN in Spanish
1654 GMT 19 Aug 90

[Text] Caracas, 19 Aug (AFP)—Official sources reported today that Argentine Foreign Minister Domingo Cavallo arrived in Caracas on the night of 18 August. Cavallo is to carry out official activities on 20 and 21 August in preparation for the upcoming visit of Argentine President Carlos Menem next October.

Cavallo was welcomed by Vice Foreign Minister Adolfo Taylhardat and today, he was the guest of Venezuelan Foreign Minister Reinaldo Figueredo.

Sources at Miraflores Palace told AFP that tomorrow Cavallo will hold a working meeting with Figueredo, and he will meet with President Carlos Andres Perez in the late afternoon.

Guyana

Venezuelan President Perez Begins State Visit

FL1708140490 Bridgetown CANA in English
1311 GMT 17 Aug 90

[Text] Georgetown, Guyana, Aug 16, CANA—Venezuelan President Carlos Andres Perez, arrived in Guyana on Thursday afternoon to begin a 26-hour state visit during which he is expected to discuss a long-standing border dispute and economic cooperation. Perez, who first visited here 12 years ago during a previous term as president, was given a warm welcome by a delegation headed by President Desmond Hoyte, against a backdrop of steelband music and a 21-gun salute on a cloudy afternoon.

Before his motorcade left Timehri Airport for the 20 mile trip into Georgetown, he reviewed a 106-man Guyana Defence Force guard of honour. Perez was to be be the guest of honour at a state dinner Thursday night and Friday morning he is to hold formal talks with his Guyanese counterpart.

Not much information about the visit has been released here by the official Guyana Public Communications Agency (GPCA). However, it is expected that Venezuela's claim to five-eighths of Guyana's territory and efforts being made by University of the West Indies Vice Chancellor Alister McIntyre to resolve the dispute will figure when the leaders meet Friday. McIntyre, a former secretary-general of the 13-member Caribbean Community (Caricom) is performing a "good offices" role as the personal representative of the United Nations secretary general who has been asked by the two countries to help them resolve issue.

Proposals for the financing of a multi-million dollar project under which Guyana would receive power from Venezuela's Guri Dam hydropower facility are also likely to be discussed by the presidents.

Before flying out of Guyana late Friday, Perez is to meet with representatives of the opposition parties in the National Assembly and members of the local private sector. He is also scheduled to pay a courtesy call on Caricom secretary-general, Roderick Rainford.

Hoyte, Perez Issue Communique

FL1808144590 Bridgetown CANA in English
1430 GMT 18 Aug 90

[Text] Georgetown, Guyana, [words indistinct]—Venezuela has agreed to offer "flexible" terms for oil sold to Guyana, it has been announced following a visit here by Venezuela's President Carlos Andres Perez. The neighbouring South American countries also agreed to make a formal request to the Inter-American Development Bank (IDB) to finance a project under which Guyana would import electricity from Venezuela.

A communique issued Friday by Presidents Desmond Hoyte and Perez said they also reached agreement on a wide range of other issues. Without giving details, the communique said that Venezuela would exercise "as much flexibility as possible" on the terms and conditions of payment to alleviate some of the negative effects of price increases of petroleum products sold to Guyana.

The countries also committed themselves to putting in place "programmes of sustainable development" as well as joint ventures in the area of wood production. The leaders said that co-operation between the private sectors of their countries should be further encouraged and they decided to set up a working group "to look into the possibilities of establishing joint ventures, particularly with a view to exploring the opportunities in the Caribbean area".

Increased co-operation in the fight against the illicit trafficking in narcotic drugs was another plank of the agreements and a mixed commission established to deal with this matter should be called together early next month by the foreign ministries of both countries.

The communique, which said that the two presidents conducted their discussions in a warm and friendly atmosphere, devoted only one paragraph to the territorial dispute between the two countries. "President Hoyte and President Perez expressed their satisfaction with the evolution of events, since the appointment of (University of the West Indies Vice Chancellor) Alister Mc Intyre as personal representative of the secretary general of the United Nations," the communique said.

"The two presidents acknowledged that Mr. Mc Intyre was performing the function of "good offices" in a good political climate, which has in part been facilitated by the varied programmes of co-operation between the two countries."

The territorial issue stems from Venezuela maintaining a claim to five-eighths of Guyana, contending that an 1899 arbitral award with Britain, which then controlled Guyana, is null and void.

With regard to Guyana being supplied by Venezuela's Guri Dam hydro electric project, the communique said that the technical work on the pre-feasibility study had been completed and preliminary discussions with the IDB about financing had been initiated. No details of the project have been released, but informed sources said it is likely to cost in excess of US100 million dollars.

Possible U.S. Aid for Electoral Preparations

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[Text] Georgetown, Guyana, Aug 16, CANA—The United States Government has offered assistance to the Guyana Elections Commission as it prepares for forthcoming elections, officials said. The offer was extended when three officials of the American Embassy, including Charge d'Affaires Dennis Hays, met with members of the Commission on Tuesday.

Commission Chairman Sir Harold Bollers confirmed on Thursday that the meeting was held but said he was unable at this stage to give details of the U.S. proposals. The U.S. Embassy was also tight-lipped, with a spokesman only prepared to say that the discussions focused on the kinds of assistance that might be available from the United States for Guyana's electoral process.

However, the privately-owned STABROEK NEWS reported that the U.S. Government had offered financial assistance to the tune of U.S. 690,000 dollars to be used to defray expenses such as those likely to be incurred for the monitoring of the elections by observers. STABROEK NEWS also reported unnamed sources as saying the U.S team had suggested that the elections commission should contract the services of two Costa Rica-based organisations which specialise in analysing national electoral systems and which usually send experts to train elections personnel and help to draw up voters' lists.

First public indications here that the U.S. Government planned approaching the elections commission, were given a week ago when the state-owned chronicle published a letter from assistant secretary of state for inter-american affairs of the U.S. State Department, Bernard Aronson, to the three co-chairmen of the Guyana Human Rights Association (GHRA). The GHRA co-chairmen, Anglican Bishop Randolph George, Gordon Todd, and N.K. Gopaul, had written President George Bush, commenting on the electoral system here and requesting U.S. assistance to ensure that the forthcoming elections which must be held by March 31, next year, are free and fair.

In his letter, Aronson said the U.S Government strongly supported free and fair elections in this hemisphere and throughout the world and that the U.S Government shared their desire that the upcoming elections in Guyana "be conducted in an equitable and open manner."

"We will be approaching the electoral commission in Guyana to determine whether it would be receptive to technical assistance in areas such as those mentioned in your letter," Aronson said.

No immediate reaction from the Guyana Government to the U.S. Government's proposals was available on Thursday. However, a senior official of the ruling People's National Congress (PNC) told CANA [CARIBBEAN NEWS AGENCY] there were no problems in compiling the voters list and what the PNC would like to see was more U.S. economic aid to help Guyana, generally. Bollers said the elections commission would probably meet shortly to discuss the U.S. proposals.